The COMMUNIST

MAY

ESSENCE OF THE DEMOCRATIC FRONT

(REVIEW OF THE MONTH)

ALEX BITTELMAN

Building the Democratic Front — CLARENCE HATHAWAY

Notes on the Defense of American Democracy — DENNIS *and* GREEN

Unemployment—An Old Struggle Under New Conditions — H. B.

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REVIEW OF THE MONTH

Lovestoneism Speaking Through Homer Martin. The Democratic Party Primaries and Labor's Non-Partisan League. Who Is the Main Enemy and How to Fight Him. Problems Before the Tenth National Communist Convention. Forces of Democratic Front. Aims of Reaction and Aims of Progressives. Organizational Expressions of Democratic Front. Role and Tasks of Working Class. The Struggle for Democracy and the Struggle for Socialism. What Does Leninism Say? Program of Democratic Front. C.I.O. Proposes Action. Roosevelt's Relief Recommendations and the Offensive of Reaction. On Mass Support and Mass Pressure. The Old Congress and the New. Coughlin Comes Back. Leninist Policy Versus Lifeless Formulas. Can We Have Democracy at Home Without Checking Fascism Abroad? Security, Democracy and Peace Are Parts of One Fight. Building a Mass Party Trained in Marxism-Leninism. Greetings to Tenth Convention.

HOMER MARTIN, president of the United Automobile Workers Union, saw fit to endorse and encourage opposition to the political candidates which Labor's Non-Partisan League is supporting in Illinois. He did so at a meeting of the Illinois Labor Party, a somewhat irregular meeting, held on April 4 in Chicago.

At first glance, it seems difficult to understand Mr. Martin's very strange conduct. Why, it might be asked, should the president of a big progressive union, a C.I.O. affiliate, advocate a policy that goes contrary to every vital interest of American labor, that brazenly violates the policies and principles of his own union and of the C.I.O. as a whole? How could he bring himself to do a thing like that?

This strange conduct of Mr. Martin, strange, that is, for the president of one of the most progressive unions in the country, becomes quite "natural," however, when we recall the fact that Mr. Martin is also a close associate, a collaborator, a devoted pupil of a professional factionalist and splitter—a person named Lovestone. When this is remembered, the rest is clear. It becomes evident then that it was Lovestone, speaking through Mr. Martin, who sought to pit the Illinois Labor Party against Labor's Non-Partisan League, who sought and is seeking to prevent united labor action on the political field in order to enable reaction to win a victory in the coming elections.

Because this is the "policy" of Lovestoneism and Trotskyism. It is the "policy" of obstructing the unification of labor and its collaboration with all other progressive forces against reaction and fascism. In substance, this is the aim of reaction. Only, Lovestoneism and Trotskyism, for whom Martin is playing the part of a mega-

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phone, have dressed the thing up in a Leftist guise. They don't tell the workers frankly, "We want you to help reaction." No, they couldn't very well afford to do it. So they assume the appearance of Lefts and revolutionists and undertake to inveigle the workers into supporting reaction by championing (in Illinois) the Labor Party *as against* Labor's Non-Partisan League. They are not really interested in the Labor Party, as we shall show. It merely occurred to them that, in Illinois at the present time, the Labor Party might be used as a convenient handle with which to obstruct the united action of labor with the other progressive forces. And so, they are trying to use that handle.

Some workers undoubtedly get confused by these Lovestoneite manipulations, especially when these are carried through by means of a person (Mr. Martin) who holds the important office that he does. These confused ones will therefore ask: Isn't a Labor Party, with its own ticket and candidates, a more advanced and desirable thing than a Labor's Non-Partisan League participating in the primaries and endorsing candidates of the Democratic Party? Isn't this policy of Labor's Non-Partisan League the same damnable thing as the "lesser evil" business of German Social-Democracy? Isn't it akin to the opportunist policy of coalition and collaboration with the bourgeoisie?

We must of course seek to dissipate the confusion and fully clarify those who really need clarification. Our present pre-Convention discussion, on the draft resolutions made public by the Central Committee of the Communist Party, offers a splendid opportunity for doing so. And the first question to be answered is: *what is the chief task* confronting the American working class at the present time? This is the beginning of all discussion, because only by determining correctly the chief task for the moment or period can we reach correct conclusions on immediate demands, on forms of struggle and organization, on policies and tactics. This is the Marxist-Leninist way. Naturally, the chief immediate task cannot be determined arbitrarily, or purely on the basis of our wishes and desires.

We must examine thoroughly the entire objective situation, especially to find out *who is the main enemy* of the working class and of all the toiling people at a given historical moment; we must examine further the relationship of class forces and the state of the labor movement; we must moreover seek to discover in the class struggle itself the particular *new approaches and transitions* to the realization of our final aims of working class power and socialism; all of this, of course, nationally and internationally; and on the basis of such an analysis and examination, we then determine our chief immediate task. It is in this fashion that the draft convention resolution ("The Offensive of Reaction and the Building of the Democratic Front") proposes to formulate the chief task as follows:

> "The chief task before the working class, and, therefore, above all, before the Communists, is to defeat the offensive of finance capital and to block the road to fascism in the conditions of the developing economic crisis." *

To defeat the offensive of finance capital and to block the road to fas-

* For all references to the Draft Resolutions, see *The Communist*, April, 1938.

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cism in the present crisis conditions—this we say is the chief task. It points out the main enemy, the points at which the main blow must be delivered, and proposes concentration on this task. Is it correct? Absolutely correct. This is what the broadest masses must be made fully conscious of. This is, in fact, what the broadest masses are already fighting for in various degrees without, however, yet fully realizing the meaning of the struggle. It is our task to make that meaning clear in the daily fight for the betterment of the conditions of the masses.

Among class-conscious workers, among all honest and thoughtful proletarians, there can no longer be any difference of opinion on this question of the chief task. There can be, and there is, among certain groups lack of clarity on various other questions. But on this one, when clearly stated, there can be no room for disagreement, not after all the experience of the last several years. The chief enemy now is the offensive of finance capital; it has to be defeated. The chief enemy now is fascism; we must block the roads along which it seeks to advance.

It is clear, therefore, that he who minimizes the importance of this task, who wants to dull its edge, who wants to substitute for it some other tasks allegedly "more advanced and revolutionary," is either a dangerous chatterer or an agent of the enemy. In either case, he is working against the most vital class interests of the proletariat. He is working against the most vital interests of the American people. He is working in the interests of the offensive of finance capital and fascism.

And this is what the Lovestoneites and Trotskyites are doing. Following them, this is what Norman Thomas is doing. Of course, in the name of "socialism," Norman Thomas' socialism. It is the kind of "socialism" that works for the victory of the offensive of finance capital, for the victory of fascism. Which evidently is not socialism at all but merely a fig-leaf or a disguise.

Having formulated the chief task, our draft resolution proceeds to indicate the way of realization. It says:

> "To achieve this aim, it is necessary to unify and consolidate all labor and progressive forces into one single democratic front."

Have we set up this idea of a single democratic front artificially and arbitrarily? Not a bit. We took it out of very life itself. Life shows us that "against the reactionary and fascist offensive, the forces of democracy are organizing themselves and more and more gathering into a common front." Is this a fact? Absolutely. Our draft resolution analyzes these living democratic forces as follows:

> "Especially important . . . is the deepening struggle of the progressives against the reactionaries in the Democratic Party and the growing differentiation in the Republican Party, whose progressive sections are moving in the direction of a common democratic front. These forces are drawn into closer collaboration with the growing independent organizations and political activities of the workers, farmers, middle classes and Negroes, such as Labor's Non-Partisan League, the American Labor Party, the Farmer-Labor Party, the Progressive Party, the Washington Commonwealth Federation, the National Negro Congress, etc."

Moreover, the broadening peace movements, the organized mass aid to Spain and China, the boycott movement against Japanese goods, the developing American Youth Congress and the coming forward of the Na-

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tional Negro Congress—all these, in the words of the draft resolution, "testify to the further broadening of the democratic front."

This is what is happening in the country: the camp of democracy is lining up, not fast enough and not consciously enough, but is lining up against the offensive of the camp of reaction and fascism. It is from here that the idea of the democratic front grows up. The question is, the only question is, what are we going to do with it? The question is: are we going to help it, to make it grow faster and stronger, or are we going to obstruct it and prevent its growth? And for the proletarian vanguard, the additional question is: are we going to drag behind this movement or are we going to be in the front lines of struggle to consolidate and bring the democratic front to victory? Our Party's answer has been and is clear: everything must be done "to unify and consolidate all labor and progressive forces into one single democratic front." And this must be the answer of every opponent of fascism, of every honest Socialist.

The next question is: what has to be done to bring about this consolidation of all labor and progressive forces into the democratic front? Our draft resolution answers:

"This demands the strengthening of all economic and political organizations of labor; the building of the C.I.O., the organization of joint action between the unions of the A. F. of L. and C.I.O. as well as the Railroad Brotherhoods, especially in the forthcoming elections, leading toward the achievement of full trade union unity; labor's initiative in gathering the farmers, the middle classes and all progressives into the general democratic front; and to defeat all efforts to split this front by reactionary Republicans operating behind a progressive shield."

Here is a practical program of work that seeks *to unite the working class, to build up and promote its independent power on the economic and political field, and to build up the alliance of the working class with the farmers, with the middle classes and with all progressive forces.* For what purpose? For the purpose of realizing *the chief task* before the American working class at the present time, the task of defeating the offensive of finance capital and of blocking the road to fascism in the conditions of the developing economic crisis.

And reaction is supplying us daily with fresh reminders of how correct and vital this program is. Speaking and gloating over the split in labor's ranks, over the consequent difficulties in consolidating the democratic front, in Pennsylvania and elsewhere, the *New York Herald Tribune* says:

"The opportunity before the Republicans in Pennsylvania is obvious. Undoubtedly a like opportunity awaits them on a silver platter in other industrial states. Will they grasp it? Given a militant, enlightened leadership and a united front, the answer is yes. But the time is short." (April 2, 1938.)

Lack of united labor action, which militates against the more rapid consolidation of the democratic front, is an opportunity for reaction and fascism, an opportunity for the offensive of finance capital. We propose that labor destroy that opportunity.

* * *

WHEN nothing else avails to confuse a worker, the Lovestoneites and Trotskyites will whisper into his ear: "Yes, of course, we must lick these reactionaries, but be sure you

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do it with a Labor Party, and don't go with Labor's Non-Partisan League in endorsing candidates of bourgeois parties, because otherwise you will be collaborating with the bourgeoisie and practising the lesser evil." This was what Martin did in Chicago. This was what the Trotskyites, Lovestoneites and some "Socialists" were trying to do in Detroit.

It is necessary at this point to expose the exact nature of the trick with which the attempt is made to serve reaction under the guise of "more advanced" policies. What we are dealing with here is an attempt to make an absolute principle, good for all places and all times, out of a practical question of policy. What is this question of policy? It is to discover in the living struggle of the masses against reaction *the best organizational expressions and forms.* There is nothing absolute about that. It cannot be laid down for all times and all places. It certainly must not be invented and artificially imposed upon the mass movements. It must grow out of these movements and must be best suited to promote their growth and insure their success.

Looked at from this angle, the only correct one, it is at once apparent that the forces struggling against reaction and fascism at the present time in this country are assuming *a great variety* of organizational expressions ad forms, representing various class and social groupings, displaying various degrees of political maturity and advancement. Moreover, in various regions, states and even cities, these forces struggling against reaction are influenced in their organizational forms by the peculiarities of the past political history and alignments of their respective localities. Just cast a glance over the country and you see the picture at once. It is for this reason that our draft resolution on "The 1938 Elections" proposes the following guiding line to questions of organizational forms:

> "The organizational expressions and forms of the democratic front will have to be flexibly adjusted to the concrete situation in each state and Congressional district."

And what should be the *guiding idea* for making these *flexible adjustments?* Says the resolution:

> "In all cases, the major task will be to secure *united action* of the unions of the C.I.O., the A. F. of L. and Railroad Brotherhoods in support of the progressive candidates."

In other words, the political guiding line to organizational forms is the great objective of the proletariat to secure united action of organized labor in a wide democratic front for the purpose of defeating the offensive of finance capital and of blocking the road to fascism in the conditions of the developing crisis.

The Lovestoneites and Trotskyites are opposed to this objective. Why? Because they are serving reaction and fascism, because they are agents of fascism. They oppose this objective of the proletariat, not because they have different principles, not because they have different policies which can legitimately be discussed in the labor movement. Not at all. They are an unprincipled gang of fascist agents and spies carrying out the assignment of their masters to try to wreck the developing unity of labor and of the democratic front.

When the Lovestoneites and Trotskyites seek to make an absolute principle out of a question of organiza-

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tional policy, they are doing so not because they are interested in principles. They are merely performing a trick to confuse the workers. They are simply disguising themselves as "Lefts" and "revolutionists" in order to gain access to labor organizations for the purpose of wrecking and spying.

Among honest workers and progressives generally, there need be no serious disagreement (if any) on these very important questions of organizational forms. Once the political objective is recognized as paramount, and it is generally so recognized in the progressive camp; once it is recognized that the major task is to secure the united action of labor in support of progressive candidates as the means of defeating the offensive of finance capital, as the means of making the monopolies carry the burden of the crisis, as one of the weapons of blocking the road to fascism—once this is recognized (and what honest worker and generally progressive American can fail to recognize this as the major task?), then the questions of organizational forms and policies will quite naturally be discussed on the basis of "the concrete situation in each state and Congressional district." It will be discussed and settled in the camp of democracy from the angle of whichever forms serve the purpose best.

The main types of such organizational forms (the main types, but not all) are already indicated in the developing political alignments in the country. That is why our draft resolution ("The 1938 Elections") proposes:

"(a) In Minnesota and Wisconsin, rallying all democratic forces behind the dominant Farmer-Labor and Progressive Parties; (b) in New York, strengthening the American Labor Party and allying it with the progressive groups of the Democratic and Republican Parties; (c) in Washington, Oregon and California: building the Commonwealth Federation and similar bodies functioning through the Democratic Party primaries; (d) in most other places, building Labor's Non-Partisan League to contest the Democratic Party primaries (in some places also Republican) and, where unsuccessful in the primaries, to put forward labor-progressive tickets."

There will no doubt be in various localities still other forms, or combinations of the foregoing, because the forces of democracy are growing, new expressions of them may come forward, and a flexible policy will have to seek to embrace and coordinate all of them *to direct the maximum striking power* at the main enemy—the offensive of reaction and fascism.

For Marxists-Leninists it is clear that the initiative and leading role of the working class is of major and decisive importance. This fundamental principle underlies our entire policy. Hence, our draft resolution ("The 1938 Elections") stresses:

"Within the democratic camp, which has to be brought together and organized, *the working class must itself display the utmost possible organization, unity, activity and influence.*"

This is how we can build (and must build) the independent political power, consciousness and leadership of the working class: in the process of building the democratic front. In doing so, we must learn from and profit by the great example set by Lenin in the struggle for working class unity, for proletarian leadership of the general democratic movement against the forces of reaction and autocracy in the old Russia. The Lenin-

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ist principles of the leadership of the proletariat in the bourgeois-democratic revolution have been aptly characterized as "a classic example" of the leadership of the driving forces of that revolution, an example of the way in which a crushing blow is delivered at the main enemy.

Is it not clear that the rising and broadening struggle of the camp of democracy against the offensive of reaction presents the American working class with a *unique opportunity* to step forward as a basic and leading force in the life of our people and country? Absolutely clear. The experiences of the last five or six years are the best proof for that. And is it not also clear that, in the measure in which the American working class does step forward and assume a basic role in the democratic camp, in the very same measure the class consciousness of the American proletariat is growing and deepening, its power and influence are rising, and thus the prerequisites for its final liberation from capitalism are continually accumulating? This too is very clear. And again it is proved by the experiences of the last several years.

Naturally, it is vital to have a very clear idea on what exactly we are doing as we help build the democratic front "which, under the conditions prevailing in our country, represents the beginning of the development of a real People's Front against reaction and fascism." ("Draft Resolution on Offensive of Reaction.") At the Seventh World Congress of the Communist International, Comrade Dimitroff gave us the main theoretical and political outlines of the nature and perspectives of this struggle. He has further elaborated on the matter in the light of current events since.

When we help build the democratic front—the chief task—we are "cementing the democratic bloc of workers, farmers, middle classes and their organizations" for the historic purpose of defeating the offensive of reaction and blocking the road to fascism. We are helping to build a *democratic* alliance of the workers, farmers and middle classes. Obviously, this is not an alliance for the abolition of capitalism and the establishment of socialism. It is a bloc, a form of alliance, to defeat reaction, fascism and war, to preserve and extend democracy. And we have already shown that this is now the chief task.

Yet, while accepting this task, there are still to be found some who tend to make the same mistake as "some Marxists" did in Lenin's time. These "Marxists" thought they were arguing very cleverly when they said that, since full democracy is impossible under capitalism and since under socialism we shall have a different and higher type of democracy (the highest), there is no use talking about fighting for democracy. These "clever" Marxists thought they were basing themselves on Engels. To which Lenin replied that Engels did not make this mistake and that the whole argument was a sophism. Lenin—the great Lenin—proceeding from Engels and Marx, gave us a guiding line which is daily proving its truth:

> "To develop democracy *to its logical conclusion,* to find the *forms* for this development, to test them by practice, and so forth—all this is one of the fundamental tasks of the struggle for the social revolution. Taken separately, no kind of democracy will yield socialism. But in actual life democracy will never be 'taken separately'; it will be 'taken together' with other things, it will exert

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its influence on economic life, stimulating its reorganization; it will be subjected, in its turn, to the influence of economic development, and so on. Such is the dialectics of living history." *

The emphases are Lenin's. And it is quite obvious what he is trying to stress. To develop democracy *to the end,* to find *forms* for its development, to test them *in practice*—this is one of the *fundamental* tasks of the struggle for the socialist revolution. And isn't this what we are trying to do in building the democratic front against reaction, fascism and war? Positively. This is what we are trying to do. In doing so, we are indicating the only way of meeting the chief menace of the present time—fascism—and of pushing developments towards the realization of the highest form of democracy—socialism.

This is not good enough for Norman Thomas. But then Norman Thomas is not really a Socialist.

* * *

WHAT sort of program do our draft resolutions propose for the democratic front?

It is a program of demands that arises from the very midst of the present-day struggle of the masses against the offensive of finance capital. In a general way these demands are already supported by the majority of our people. And this program has the additional advantage that it shows the way to develop democracy "to its logical conclusion"; it enables the masses to find the "forms" for this development, and it provides the means for testing these forms "in practice."

With the recent orgy of reaction against the President's Reorganization Bill, and with the unfolding of the newest attempt at a reactionary concentration against providng adequate relief to our people in the developing crisis, all of which is accompanied by and backed with *the continuing economic and political sabotage of the reactionary monopolies,* the living actuality of the program we suggest stands out in boldest possible relief.

It is certain that, despite the modesty of the President's proposals, they will meet with the most dastardly opposition and sabotage from the reactionary bi-partisan coalition in Congress backed by finance capital outside. Hence, it is absolutely imperative that the forces of the democratic camp *make haste* in getting together on a common program and, what is even more important, *begin to mobilize the masses themselves* to give active support to the progressive measures of the President and to counteract effectively the pressure of reaction. Thus far, in the matter of pressure, reaction seems to have it all its own way. Clearly, labor (the C.I.O., the A. F. of L., Railroad Brotherhoods) has an important initiative to take.

John L. Lewis has spoken the mind of the majority of our people when he said (at the C.I.O. conference in Washington, April 12):

"It is time the government faces the facts of unemployment. Hand to mouth measures are not enough. A well-planned, long-term program needs to be envisioned—a program by which our nation will be enriched in times of depression when the government must provide jobs. The C.I.O. and the unemployed do not want leaf-raking jobs. They want houses, slum clearance, schools, hospitals, flood control, education and sound recreation."

That is it. The big question is:

* V. I. Lenin, *State and Revolution,* p. 65, Special Edition, International Publishers, New York.

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how can we make the government face these problems and how can we break the offensive of reaction which prevents the adoption and realization of this program? The answer is reasonably clear. Almost obvious. United action by labor, unity of the democratic camp against the offensive of finance capital which is growing daily more brazen, and active support for every progressive measure of the administration. *Mass pressure upon this session of Congress and the opening by a united democratic front of the elections to the next Congress.*

Some reactionary circles do not find it necessary to hide any more the fact that the entire strategy of reactionary finance capital has been and is to invalidate in fact the elections of 1936 by economic and political sabotage. Just read what the *Herald Tribune* has to say about the lessons of the political struggle in France. Expressing the hope that a conservative government will now be formed, without the Socialists and Communists, the *Herald Tribune* (April 9) goes on:

"If so, it will be formed without reference to the electorate which returned so clear a mandate to the Left in 1936. It will be formed by a repetition of that process whereby the French people have more than once returned liberal and radical majorities, then seen them whittled down by political maneuver of financial pressure until finally the Right, which lost the elections, ultimately wins the government. Without doubt the result will be denounced as undemocratic; 'the two hundred families' (the original French prototype for the sixty of Mr. Lundberg's and Mr. Ickes' imaginations) will be paraded again; we will hear that the French masses have again been enchained by a baleful and selfish plutocracy. We will hear it, yet such arguments will be a shallow perversion of the deeper truth behind the crisis."

And what is that "deeper truth"? It is this: when the people return a government to power which finance capital does not like, finance capital will go ahead and try to sabotage it out of existence by "political maneuvers and financial pressure." It couldn't be stated more openly or brazenly or, for that matter, more truthfully as describing the sabotage of finance capital *in this country.*

Unless it be Coughlin, who puts the last dot on the "i" and calls for armed rebellion against the democracy and government of the country. Attacking Senator Frazier for his sympathies to the Republican government of Spain, Coughlin writes:

". . . if Senator Frazier and his like attempt to inject any 'Democratic-Communistic' or 'Communistic-Democratic' ideas of the Spanish type into our national government, they will quickly experience true Democracy's right to rebellion. The blood of martyrs will stain the steps of the Capitol in Washington when that day arrives." (*Social Justice*, April 4.)

And we all know, from Coughlin's own mouth, that his "true" democracy is the one carried by Franco, Mussolini and Hitler. Moreover, this is how the *Herald Tribune* links up with Coughlin, or how reactionary finance capital links up with fascism—in our own very midst. The so-called "March on Washington" against the Reorganization Bill, engineered by the New York Board of Trade and Coughlin, is another demonstration of this linkage.

Time does not wait. The coming together of the forces of democracy (and the responsibility of labor to bring it about) to lead the fight of the people for its program—this is the mandate of the hour. This is what our Central Committee proposes to

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the Party convention. The program of the democratic front as outlined in our draft resolution (points *a, b, c,* and *d,* Section III, of the draft on "The Offensive of Reaction and the Building of the Democratic Front") includes demands to meet the most imperative needs of the masses of our people—economic, political, social and cultural. It includes wages, jobs, adequate relief, civil liberties, Negro rights, education and peace. It aims to break the sit-down strike of big capital, to preserve and extend democracy, and to limit the power of big capital in the government and economy of the country.

On the latter point, the draft resolution proposes:

"(c) To defend and extend the democratic rights of the people, to promote national unification and to limit the power of big capital in the government and economy of the country—through curbing the autocratic power of the Supreme Court, through legislation against the trusts and monopolies, stock exchange control, nationalization of banks, railways and munitions, moratorium on debts for farmers and small property owners, price regulation under democratic control, public and cooperative marketing, improvement and democratization of the agricultural farm measures."

The proposed program, which is accepted by the majority of the people, is not a socialist program. It is in fact "the program of immediate measures required for the protection of the political, cultural and economic needs of the people within the framework of capitalist society." It is the program of *the democratic bloc* of the workers, farmers and middle classes.

Naturally, it is not an accidental or haphazard putting together of a number of demands. It (the program) has a definite character and consistency. And this is determined by the chief task confronting the working class and all democratic forces at the present time—to block the road to fascism. It is further determined by the nature of the alliance which the democratic front represents—a democratic bloc of the workers, farmers and middle classes. And it has a clear indicator of *direction,* of where we are going, which is the defense and extension of democracy, the development of democracy to its logical conclusion. As President Roosevelt said in one of his speeches: the American people want more democracy, not less.

Considering that the menace to democracy now comes chiefly from the reactionary circles of finance capital, that this is indeed the source of reaction and fascism, the program of the democratic front necessarily concentrates on defeating the offensive of these circles, concentrates on the historic fight which will *"limit the power of big capital in the economy and government of the country."* This is what our people demand whenever they become articulate. Points of such a program we find in the speeches of President Roosevelt although his administration is far from realizing them. That's why our draft resolution says:

". . . the people have not only the right to demand that this program shall be carried out in domestic and foreign policy, *but the people also have the duty to fight decisively for the realization of such a program."*

And for this—the people have to be organized.

The legislative platform of the C.I.O. coincides in the main with such a program.

The Communist Party supports completely this program and partici-

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pates in the fight for its realization. Is there anything strange in that? It would indeed be very strange (and worse) if it were not so. The Communist Party has no interests separate and apart from the interests of the working class and all toilers. What is good for our class and its allies, is good for us. Furthermore:

"The Communist Party is the party of the socialist reorganization of society *as the highest form of democracy*. As a consequence, it is in the front line of the broadest democratic camp against reaction, fascism and war."

In other words: through democracy to socialism; through socialism to the highest form of democracy.

Does that look like the Social-Democratic coalition policy? Does it have anything at all in common with Social-Democratism which subordinates the working class to the bourgeoisie, which splits the working class, which helps the monopolies make the workers carry the burden of the crisis, which under the guise of the "lesser evil" tried to (and did) save capitalism by suppressing the revolutionary movements of the masses, which in the name of democracy was betraying democracy daily and brazenly by helping the monopolies rob the people of their democratic rights and liberties, which collaborated with big business reaction thus paving the way for fascism, and which finally capitulated to fascism? Does the policy of the democratic front and people's front have anything at all in common with that? It is sufficient merely to ask the question for all honest workers to get the answer. *It is just the opposite.*

The unfolded policy and program of the democratic front embodied in the draft resolutions which our Party is now discussing and which our Tenth National Convention will deliberate and act upon finally—this policy and program helps the working class to achieve political independence and class consciousness, opens the way to its allies and cements this alliance, shifts the burden of the crisis to the monopolies, protects the civil liberties and rights of the masses, offers a way to preserve peace and, above all, shows the *road to the blocking of fascism and the further development of democracy.*

Not Social-Democratism but the policy of the united and people's front, the building and restoration of working class unity which Social-Democracy has split, and the building of the democratic front—this is the way to victory over reaction, fascism and war. This is the road to the final liberation from capitalism and to the socialist reorganization of society.

* * *

THE struggle against the offensive of finance capital and for blocking the road to fascism cannot be carried on with lifeless formulas and ready-made patterns. Comrade Dimitroff warned against such weaknesses as far back as the Seventh World Congress. In his summary, speaking of the requirements for the establishment of the unity of the working class in the fight against fascism, he said:

"The successful solution of this problem requires, first, that Communists skilfully wield the weapon of *Marxist-Leninist analysis*, while carefully studying the specific conditions and the alignment of class forces as they develop, and plan their activity and struggle accordingly. We must mercilessly root out the weakness, not infrequently observed in our comrades, for cut-and-dried

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schemes, lifeless formulas and ready-made patterns." *

It is obvious that the policy of the united and people's front itself must not be transformed into a cut-and-dried scheme of lifeless formula. And in order to guard against such weaknesses, in order to make our policies rest firmly on a careful study of "the specific conditions and the alignment of class forces," our draft resolution ("On the Offensive of Reaction") defines the special characteristics of the present struggle against fascism in our country as follows:

"In order to ensure the carrying out of a really democratic and really progressive program, it is necessary to bring the broadest masses into the *democratic front* which, *under the conditions prevailing in our country,* represents the *beginning* of the development of a real People's Front against reaction and fascism."

The real People's Front against reaction and fascism is *the course* we are steering. It is the direction of our movement. *It is where we are going.* And the vehicle by which we try to get there is the common front of all the democratic forces in the country against the offensive of finance capital.

Our draft resolution reaches this conclusion on the basis of a careful analysis of the living forces struggling today, one way or another, with varying degrees of consistency against the offensive of reaction, moving unevenly in the *direction* of a real People's Front. One of the *major* developments from this angle is "the deepening struggle of the progressives against the reactionaries in the Democratic Party and the growing differentiation in the Republican Party, whose progressive sections are moving in the direction of a common democratic front."

Reaction sees in this development a most serious menace to itself. And naturally so. Trotskyites and Lovestoneites, doing the bidding of their fascist masters, are seeking to prevent the cementing of labor's collaboration with these progressive forces (as in Chicago and Detroit). This is natural, too, because the cementing of such collaboration will help create a barrier to the advance of fascism. That is why Lovestoneism, speaking through Homer Martin, attacked Labor's Non-Partisan League in Illinois for collaborating with the progressive forces in the Democratic Party.

Sectarians, living by ready-made patterns and cut-and-dried schemes, will fail to see the tremendous and major importance of these developments. In consequence, they will seek to impose upon these movements, mechanically and artificially, such policies and forms of organization as may fit very nicely the pattern and the scheme but which in practice will obstruct and choke the growth of these progressive developments. And who will gain by such a result? Reaction and fascism, of course.

Others, on the other hand, also addicted to cut-and-dried schemes, and closing their eyes to the specific and concrete ways in which the progressive forces struggle for expression, will assume that we already have a fully developed People's Front, which will *by itself* do everything that a real People's Front has to do, and that, therefore, *there is little to be done for the education, organization, and mobilization of the masses for daily*

* Georgi Dimitroff, *The United Front Against War and Fascism*, p. 95, Workers Library Publishers, New York.

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struggle against the offensive of reaction and fascism.

A good antidote against the occurrence of such errors is a careful study of the specific conditions and the alignment of class forces. Such a study will show that labor is vitally interested in defeating and crushing the reactionaries in the Democratic Party; is vitally interested in encouraging, supporting and pushing forward the progressive elements in the Democratic Party, and also in the Republican Party; is vitally interested in strengthening the alliance with President Roosevelt and the forces he represents; is vitally interested in making this alliance the axis around which to build the broadest common democratic front, a front embracing the overwhelming majority of our people; is vitally interested in preventing reaction from getting hold of the Democratic Party, a really acute danger in the light of the most recent fight on the Reorganization Bill and the struggle in the primaries; is vitally interested in defeating the dangerous project "to bring forward the reactionary core of the Republican Party behind the mask of a progressive face and demagogic slogans."

Of course, all these things which are vitally necessary for labor are not going to happen by themselves. The working class, and its vanguard, the Communist Party, must fight for definite policies to bring it about. And this is what we are trying to bring forth. This is what we are now discussing and what our Tenth National Convention will finally act upon. It will act upon the best ways of building the democratic front and the special role of the working class and its Communist vanguard in this struggle. And on this, the draft resolution proposes:

> "Within the democratic camp, which has to be brought together and organized, the working class must itself display the utmost possible organization, unity, activity and influence. This is the best guarantee of cementing the democratic bloc of workers, farmers, middle classes and their various organizations."

Here is where the special role comes in of the C.I.O., the A. F. of L., Railroad Brotherhoods, Labor's Non-Partisan League, the American Labor Party, etc. That is how the economic and political movements of labor can be made to link up with the progressive forces in the Democratic Party, in the Republican Party, with the Farmer-Labor and Progressive parties in Minnesota and Wisconsin; with the Commonwealth Federation in Washington, Oregon and California; with the broad peace movements, youth, Negro and women's progressive movement, and the progressive movements among the national groups, in order to build the *broadest* common democratic front for the defeat of reaction.

And remembering the crucial importance of the 1938 elections, and the primary fights already taking place, we must again emphasize the guiding line of policy in the situation: *To unite everywhere the forces of labor and of the entire camp of progress and democracy behind one single progressive candidate for each office.*

* * *

ALTHOUGH recent events have tended to shake considerably the illusion that we can carry on a successful fight for democracy and security at home without, at the same time, helping all

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we can to resist the advance of fascist aggression abroad, the illusion still persists in various quarters. And the fascist agents in this country, especially the Lovestoneites and Trotskyites, are making plenty use of it in the interests of fascism—both here and abroad.

It is really embarrassing still to have to argue with the person who believes, or thinks he believes, that instead of mixing in world affairs which may lead us to war, we had better devote ourselves to using our great resources to make life happy for ourselves. This is sometimes dressed up in a somewhat attractive form which says: "This will be the best contribution we can make to world democracy and peace; contribution by example." Which is a sophism, and a bit tricky, as all sophisms are.

Of course, we want democracy and security and plenty at home. Of course, we have the resources necessary for that. And what is even more important, we have the forces, the social forces, to realize these great aims if we only organize them and lead them along the correct path of struggle. The question is: which is the correct path?

Even the sophist of isolationism will have to admit (or will he?) that to preserve and extend democracy at home and to establish security for all require a big struggle against the economic royalists, against finance capital and the monopolies, against the fountain-head of reaction and fascism. In the face of our present day realities, one cannot very well deny that. And this is the fight we propose to carry on through the building of the common democratic front.

But as we do so, not in the quiet isolation of the study room, but in real life, we at once discover that the fight which takes place abroad between democracy and fascism—a fight similar to ours, though not identical in all respects—has a *very close relation* to our fight here and *vice versa.* No informed person will deny that either. One can see it almost every day, with every change in the course of the fight at home and abroad. *Every time the democratic camp scores a victory in the United States, the democratic forces everywhere begin to display greater strength and vigor; on the other hand, every time the democratic forces here suffer a defeat, or are slowed down in some way, almost always the effect is negative upon the fight of democracy abroad.*

This much the isolationist will probably accept. But in this case the converse is also true. It is also a fact that, when the democratic forces abroad suffer a reverse and fascism advances, whether in Spain, France, China, or England, *the repercussions here are almost instantaneous, considering the rapidity of communications. Reaction here at once gets bolder and intensifies its offensive.*

Here is a "coincidence of events." Hitler marches into Austria. Chamberlain negotiates a capitulation to Mussolini. Reaction makes a fresh periodic drive to upset the People's Front in France. *All this happens abroad.* Now, another chain of events, this time *at home*: Reaction seizes upon the Reorganization Bill and stages an advance against Roosevelt, against the New Deal, against all progressives in the country (only Boileau and his friends couldn't see it). Coughlin comes back to life in full force. The phoney deluge of tele-

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grams descends upon Washington, and the New York Board of Trade tries to engineer something like a fascist march on Washington. And again, "coincidentally," another thing happens abroad at about the same time: with extra great and fresh assistance from Hitler and Mussolini, the Franco forces in Spain succeed in making certain *important* advances.

Is there any connection between these recent advances of reaction and fascism abroad and the almost simultaneous intensification of the reactionary offensive at home? Only one who is blind can fail to see it. Isn't it obvious, then, that he who is serious about fighting for democracy and plenty at home *must of necessity* collaborate with and support the democratic, anti-fascist forces abroad? Hasn't it been proved time and again that every strengthening of the internal and external position of the Soviet Union almost at once changes the relationship of forces *in all countries* more favorably for the democratic camp and unfavorably for the reactionary camp? And does it not follow, therefore, that the fight for democracy and security at home is bound up *inseparably* with the world fight between democracy and fascism? Of course, it follows. And from this, certain deeds must follow at the present time: *Help for the Republican government of Spain. Help for China. Support for the peace policies of the Soviet Union. Support for the policy of concerted action "with the peoples and governments of the world in order to halt and isolate the fascist war-makers, to assist their victims and to guarantee world peace."* (Draft resolution on "Offensive of Reaction and the Building of the Democratic Front.")

There is no doubt that the American masses are breaking from the mooring of isolation, and that isolationism itself is in crisis. But there is a great deal of work to be done to help bring the masses to the correct positions.

We find, for example, even among those who are moving away from isolation and towards the position of concerted peace action, an inclination to reason like this. "There is, of course, serious danger of a new world war due to fascist aggression. This is granted. Yet it must be admitted that the immediate thing that the American people are menaced with is not war, is not a foreign invasion but economic disaster as a result of the crisis and the lack of action by the government to bring adequate relief to the people."

This reasoning, faulty in one fundamental respect, cannot be dismissed on that account. For at the basis of it is the very real fact that the condition of the masses of our people is getting worse and worse (not to compare of course with the Hoover regime) because of the developing crisis, because of the offensive and sabotage of finance capital which aggravates the situation, and because of the seeming inability of the administration to put through even its own modest and far from adequate program. These are facts. And very important ones.

Now, if there are within the administration elements which tend to overlook these facts of the worsening conditions of the masses "on the ground" that there are important matters of foreign policy to be tackled *first*, and there are such elements in the administration, then these must

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be exposed and combatted. Some of them are reactionaries and must be fought as such. These, in fact, do nothing to fight reaction at home and nothing (if not worse) to help check fascist aggression abroad. But there may be others who sincerely believe in this "first—second" theory. If so, their mistake, the source of the mistake, is evident. It is the grievously mistaken belief that you can fight fascist aggression abroad, or prepare for it, by giving in to the reactionary forces and fascist elements at home, by failing to protect or "postponing" the protection of the interests of the people at home. The fact of the matter is: it can't be done. And a persistent effort to do this impossible thing will inevitably lead to capitulation to reaction and fascism *both* at home and abroad. And this must be fought.

Yet we must also point out that the opposite reasoning (the immediate menace is not war but economic disaster) arises from a similar error. It is also somewhat in the nature of "first —second": First we will tackle the crisis and then we will see what can be done about the danger of war. This too is an untenable position. For this reason: to tackle the crisis in the interests of the people means to follow a policy of making the monopolies carry the burden of the crisis, and protecting and extending democracy. This means a serious fight against reaction and fascism in this country. It means building the democratic front. And this cannot be done successfully without *simultaneously* doing all in our power to help check the advance of fascism and reaction abroad.

And this is precisely the policy embodied in our draft resolutions as proposals for the Party discussion and for final action by the Tenth National Convention.

* * *

WITH the serious achievements in Party building registered by the first National Party Builders Congress (Feb., 1938), and with the highly valuable contributions to the methods of Party building brought to that congress by its delegates, our Tenth National Convention will be in a very good position to outline next steps, methods and forms of work.

The basic question that we have to solve is clear. The draft resolution ("Party Building") states it thus:

> "The historic tasks now facing the American labor movement place decisively before the American Communists the basic question of building their party into a true mass party trained in Marxism-Leninism."

We have everyting necessary to tackle effectively the solution of this basic question. And, as Comrades Browder and Foster, stressed time and again: *time is decisive.*

Says the draft resolution:

> ". . . the present tempo of the Party's political and organizational growth is too slow, and is far from meeting the needs of the working class movement and the tasks confronting the Party. The time factor is now decisive. The maximum attention and energy of the entire Party must be centered on *rapidly* solving the problem of the political and organizational consolidation and strengthening of the Party *as an organic and key part of the task of forging the anti-fascist democratic front.*"

This means first of all recruiting, dues payments and expansion of the circulation of the Party's daily papers and other publications. It means the general all-around improvement of our work in all fields. It means that "the role of the Party as the vanguard

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and organizer of the masses, working systematically for winning a leading position, must be effectively strengthened."

Among the tasks requiring special concentration, the resolution cites:

"The Party will have to concentrate upon further organizing and extending its independent mass agitation and Marxist-Leninist propaganda in all spheres of activity in the labor and progressive movements. It should develop still further its mass popularization of *the American revolutionary and democratic traditions,* integrating this with its propaganda of Communism, and *with the exposure of the Trotskyite-Lovestoneite agents of fascism* who must be relentlessly fought and completely isolated in all working class and progressive organizations as splitting and demoralizing elements."

Finally, on the further development of Bolshevik methods of leadership, the two specific and different methods of leading the masses and leading the Party, the draft resolution proposes:

"All leading committees of the Party are charged with the task of strengthening their collective work and leadership, of improving their Bolshevik self-criticism, overcoming all remnants of sectarianism in the application of the Party's correct united front and People's Front policy, at the same time guarding against all tendencies to keep the Party at the tail end of the mass movement, avoiding moods of self-satisfaction, welding still more firmly the unity and discipline of the Party, *and developing alertness and vigilance on all problems affecting the life of the Party and of the mass movements.*

"It is absolutely necessary to ensure a collective friendly discussion of all differences that may arise on political or tactical problems in order rapidly to overcome them. The leading bodies of our Party have the task more consciously and systematically to assimilate and master *the lessons of Comrade Stalin's leadership* so gloriously exemplified in the Communist Party of the Soviet Union and its world-historic achievement of building the socialist society."

Fraternal greetings to the Tenth National Convention of our Party; greetings to the American Communists on this great occasion and to the leadership of our Party.

A. B.

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BUILDING THE DEMOCRATIC FRONT

BY CLARENCE A. HATHAWAY

THE realization of a broad *democratic front* of all labor and progressive forces is the heart of the draft resolutions which the Central Committee submits to the Party membership in opening the pre-convention discussion. The main resolution, "The Offensive of Reaction and the Building of the Democratic Front" (see *The Communist* for April), states:

> "The chief task before the working class, and therefore, above all, before the Communists, is to defeat the offensive of finance capital and block the road to fascism in the conditions of the developing economic crisis. To achieve this aim, it is necessary to unify and consolidate all labor and progressive forces into one single *democratic front*. This demands the strengthening of all economic and political organizations of labor; the building of the C.I.O., the organization of joint action between the unions of the A. F. of L. and C.I.O., as well as the Railroad Brotherhoods, especially in the forthcoming elections, leading toward the achievement of full trade union unity, labor's initiative in gathering the farmers, the middle classes and all progressives into *the general democratic front;* and to defeat all efforts to split this front by reactionary Republicans operating behind a progressive shield."

The question may arise in the minds of some of our comrades, "Just what is this 'democratic front,' and what is its relation to the People's Front, to the Farmer-Labor Party?" They may ask further, "Does this conception of a broad *democratic* front constitute a revision of the line of our Party?"

To answer the last question first, *it does not constitute a revision of our line.* Our goal still remains the building of a nationwide Farmer-Labor Party, as an American expression of the People's Front. Our proposal *now*—today—for the creation of a broad democratic front is based on a realistic appraisal of *the present stage* in the political regrouping of class forces in the country, and is designed to further and speed up that regrouping. It is a policy for this immediate period and, if energetically and successfully carried through this year in connection with the State and Congressional elections, can contribute to the early realization of a People's Front; it can further the movement for a Farmer-Labor Party. *In short, the effort to achieve a democratic front is an effort to advance a step closer to the People's Front.*

Now, just what is it? First, as in the case of a People's Front, a democratic front would unite in one progressive political camp the main body of the people, the workers, farmers, Negroes, small business people and professionals. It differs from the People's Front in that it recognizes that at this time it is not yet possible to organize this broad mass movement *in a new party,* let us say, like the Minnesota Farmer-Labor Party, nor is it possible always

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to unite this movement through *a formal set of political alliances* between the different progressive political groupings, or on a commonly worked out political platform. The democratic front presupposes a more loosely knit coalition of what are in the main progressive forces, with a program generally progressive, but less clearly defined. To illustrate this difference one can contrast Minnesota and New York City.

In Minnesota the Farmer-Labor Party closely approximates an American type of People's Front. There, the workers, farmers, professionals and small business people meet together in convention, with the delegates coming directly from the trade unions, local political organizations, cooperatives, etc. They draft their platform, select their candidates, choose their party officers and plan their campaign in a united, disciplined way. Communists participate freely, with "Red-baiting" squelched by the party leadership. Though there also they have the problem of an election alliance with progressive Democrats, this is done on Farmer-Labor terms and in an open, official manner. This is a practical example of the People's Front.

In New York City, in the anti-Tammany coalition of the last campaign, we had an example of the democratic front, reflecting a less mature development than in Minnesota. Here we had the American Labor Party as the core of the whole anti-Tammany drive, a party that had emerged during the Presidential campaign, that had grown rapidly, numerically, and in prestige before the city elections, but which was not strong enough to uproot the entrenched Tammany machine alone. Then followed a series of "deals," bargains and compromises with Republicans who were made to accept a ticket hardly to the liking of their Tory wing, with progressive Democrats, with the Fusionists and with "civic reform" groups. Though the American Labor Party had a platform which Mayor LaGuardia accepted, the coalition forces as a whole had no commonly agreed upon platform. They had one plank on which they agreed: *Defeat Tammany!*

In this very loose coalition of anti-Tammany forces New York experiences teach us:

1. The possibility of bringing together the broadest mass of the people in a winning coalition against reaction, furthering the break-up of old political alignments;

2. The necessity for the independent organization of labor on the political field to initiate and force through such a coalition;

3. Labor's ability, when it is so organized, to establish its own leading role within the whole movement and among its elected representatives, thereby opening the way for further advance on the road toward a People's Front. In short, New York is not Minnesota, *but it leads toward Minnesota.* And interestingly enough, the early developments in Minnesota in the formative period of the Farmer-Labor Party are singularly similar to those of this period in New York.

From these examples the character of the democratic front should be clear, and also the role that it plays in furthering the break-up of the old political parties and in advancing the People's Front.

This idea of the democratic front, though given this name only at the

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Party Builders Congress and Plenum in February, and then only to avoid confusion as to the character of the People's Front, is not something "new," suddenly sprung on the Party. The idea of support for such a loose coalition of the progressive forces with its candidates sometimes running on the Democratic ticket, sometimes on the Republican ticket, and at other times independent, is inherent in the work of our Party for the advance of the People's Front over the past several years.

In fact, Comrade Earl Browder has formulated this as our basic tactical approach to the struggle for the People's Front in numerous speeches and Plenum reports. Let me cite some examples. As far back as the December, 1936, Plenum, Comrade Browder stated:

> "We must soberly estimate, however, the moods and trends among the broad progressive ranks. We must find the way to unite the movements already outside of and independent of the Democratic Party and progressive Republicans together with those that are still maturing within the old parties, and not yet ready for full independence. This means that we must conceive of the People's Front on a broader scale than merely the existing Farmer-Labor Party organizations. We must conceive of it on a scale that will unite the forces in the Farmer-Labor Party and other progressives together with those forces crystallized in some form or other but not yet independent of the old parties."*

At the June, 1937, Plenum, Comrade Browder dealt exhaustively with the problems that had arisen in our efforts to build a People's Front; bringing out "an apparent contradiction between the clearly established growth of People's Front sentiment in the United States, and the slowing up of the organizational realization of a national Farmer-Labor Party."* In that speech he established the following main points which are the basis for the democratic front tactic:

1. That the foundations of the old two-party system, "based upon regional interests of the main sections of the bourgeoisie, accentuated by the federal structure based on forty-eight sovereign states and the incomplete national unification of the country" were shattered, and that, "In their place there emerge the clear outlines of two new parties . . . representing something new—a political alignment dominated, not by regional differences among the bourgeoisie, but by class stratification among the masses of the population." He added that there was no longer a fixed party structure in the country, that everything is in flux, that everything is changing.

2. That in this shake-up the rise of sentiment for the People's Front was tremendous: "It is precisely because of the exceptional breadth and speed of the rise of the Farmer-Labor movement," he stressed, "that there has occurred what seems like a pause in organizing the national Farmer-Labor Party."

3. That this disparity was due to the desire of the masses for immediate political victories, which experience has taught them in a number of instances could be achieved through the Democratic Party and in some cases through the Republican Party, when labor and progressives organized themselves independently for that job in bodies such as Labor's Non-Partisan League, the Commonwealth Fed-

* Earl Browder, *The Results of the Elections and the People's Front*, p. 31.

* For all references to this Plenum Report read *The Communists in the People's Front.*

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eration, etc. The fact that they could win, and that they now have victories to guard, stimulates their progressive and independent political activities, and at the same time causes them to hesitate in the building of a new party. Additional, purely American factors, such as the difficulty of getting a new party on the ballot in many states and the existence of the direct primary system in most states, are also obstacles to the speedy formation of a Farmer-Labor Party.

Comrade Browder summarized the Central Committee's position:

> *"The Farmer-Labor Party, conceived as the American equivalent of the People's Front of France, is taking shape and growing within the womb of the disintegrating two old parties. It will be born as a national party at the moment when it already replaces in the main one of the old traditional parties, contesting and possibly winning control of the federal government from the hour of its birth.* What particular name the caprice of history may baptize it with is immaterial to us. This new party that is beginning to take shape before our eyes, involving a majority of the population, is what we Communists have in mind when we speak of a national Farmer-Labor Party, the American expression of the People's Front."

The tactic of the democratic front is designed to meet precisely this situation, where the Farmer-Labor *movement* is growing by leaps and bounds, but in widely varied forms, both *within* and *without* the old parties. It is designed to keep our Party in closest relationship with this whole broad people's movement and with its spokesmen, in order that we may contribute most of its immediate unification in today's fight against reaction, and aid it in breaking down the obstacles that stand in the way of the People's Front, of a Farmer-Labor Party.

The fight for the democratic front, for the unity of workers, farmers and all progressives now in a loose form, I re-emphasize, is the correct tactical course to follow on our road to the People's Front under American political and electoral conditions.

* * *

Here I do not wish to discuss programmatic issues which arise in connection with the democratic front tactic, but rather some of the practical organizational obstacles which will inevitably be encountered. Proposals for program and platform are adequately handled in two of the draft resolutions: "The Offensive of Reaction and the Building of the Democratic Front" and "The 1938 Elections." For a further handling of these problems one can refer back to Comrade Browder's speech at the November Enlarged Political Bureau meeting (*The Communist* for December), to the speeches at the Party Builders Congress (Bittelman, Stachel, Foster), etc.

The building of the democratic front is not going to be easy. The road will be strewn with every conceivable obstacle and pitfall. Our comrades will have to learn (and rapidly) to deal with new people, with new problems, and with most complex and most rapidly changing situations. Moreover, it is the particular task of our comrades to play the most active and constructive part in the solution of all problems, for the simple reason that as a rule the others will not or cannot. Their limited outlook or narrow party or group approach will usually cause them to play a largely negative role in tight situations. We have to be the unifying force and the cement that holds the democratic

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front together. We must make it a conscious, progressive, anti-fascist force able to rise above petty bickerings and self-seeking influences.

As an aid to our comrades, the following points should be stressed:

1. *Broaden your contacts. Meet people.* Establish connections, direct or indirect, with all progressive people influencing the political life of your neighborhood, community or state, with trade union leaders (A. F. of L., as well as C.I.O.), farm leaders, progressive civic leaders, progressives of both Democratic and Republican Parties, Negro leaders, etc.

2. *Learn their political plans and try to influence them.* Strive to bring *all* the progressive groups together, contributing all you can to ironing out conflicts and differences.

3. *Don't be passive,* waiting for someone else to decide how the progressives are to enter the coming state and Congressional campaigns, with our Party and those whom we can influence merely following at the tail-end. Contribute your part, and through all channels, to the selection of the whole progressive slate, to the drafting of the platform, and to the conducting of the campaign.

4. *Don't be over-aggressive,* acting as though we thought that we were the democratic front and able to dictate its policies. In a tactful, modest way we strive to participate in discussions and to put forth our proposals. We try to be correct and convincing on the basis of our general line, but we listen to other people. We try to incorporate their ideas, and to harmonize their views with ours and those of the others.

5. *Base your proposals as to our role as a Party in the campaign on our actual strength and influence among the broad masses of the people.* In New York the Communist Party can make proposals and play a role which would be quite impossible in a smaller place where our Party is weak or the progressive movement backward.

6. *Don't try to "capture" conferences, and don't try to "capture" the offices.* Play a role only in proportion to our mass influence and put forward such people as officers or candidates as are acceptable to the broader progressive forces. Remember, we bring forward our people *"wherever such action will contribute to the unity and election success of the common front."* (Draft resolution on "The 1938 Elections.")

7. *Don't imagine that you can escape a certain amount of "Red-baiting" in a democratic front,* and don't permit "Red-baiting" to become the central issue and, above all, a splitting issue. Our comrades must insist that the main issue is the *unity of the progressive forces against the forces of reaction, fascism and war.* We must meet the arguments of those "Red-baiters" who strive to split the democratic front in a quiet, restrained, convincing way, bearing in mind that it is the majority (which includes the vacillating liberal elements) that we have to convince of our right to participate and of the constructiveness of our participation. Again, in this connection, I refer the comrades to the excellent speeches of Comrade Browder on this question in his Boston declaration on force and violence (his reply to Roosevelt's reference to advocates of dictatorships).*

* Quoted in "The People's Front Moves Forward," *The Communist,* December, 1937.

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These points, and undoubtedly many more that could be added, are put forth in a positive way, but all of them are observations based on actual and sometimes costly errors made by our comrades in various districts (Minnesota, Boston, Seattle, Detroit, etc.). The democratic front requires the greatest flexibility, tact, and patience; and where these virtues are not acquired our comrades will have difficulties. "The organizational expressions and forms of the democratic front," as the Election Resolution stresses (Point 4), "will have to be flexibly adjusted to the concrete situation in each state and Congressional district." This means, above all, a careful weighing of all class forces, careful consideration of the traditions and experiences of the local movement, and a close relationship with all of the decisive progressives.

Finally, I want to stress the political unity of labor—A. F. of L., C.I.O., and Railroad Brotherhoods. Without such *political* unity the rallying of the other democratic forces will in the first place meet with serious difficulties. Moreover, it gives the reactionaries an opportunity throughout the campaign to exploit labor's disunity for their own fascist purposes. The examples of Detroit, Seattle, and now Illinois, show the disastrous results of the A. F. of L. bureaucrats' policies.

It is necessary, in a sense, to separate for the moment the question of trade union unity from that of trade union *political* unity. We must undertake to show the necessity now for such political unity of both A. F. of L. and C.I.O. workers and to local and state leaders *in order to protect the interests of their own organizations.* In selecting slates of candidates we must urge consideration of both C.I.O. and A. F. of L. men or of men who are acceptable to both. Here the greatest concessions must be made in the interests of unity.

In considering organizational forms, where, because of the ruling of William Green, it is not possible to bring the *overwhelming majority* of the A. F. of L. people into Labor's Non-Partisan League, other organizational forms should be sought out that conform to Green's rulings, but that at the same time make cooperation possible between L.N.P.L. and that A. F. of L. political body in one democratic front. Every possible approach should be canvassed in our efforts to bring the trade unionists together. Most frequently the Railroad Brotherhood men can be the most effective negotiators for unity. In other cases one or another local progressive politician can fill the bill. But the job involves negotiations, "deals," compromises, and outright bargains with the local and state A. F. of L. and C.I.O. leaders, and particularly with those of the A. F. of L. Broad agitation for unity within the trade union locals is, of course, essential, but to get unity the arousing of that mass sentiment must be followed by these behind-the-screen, back-door "negotiations."

The situation in the country is favorable to the development of a democratic front. The people are undoubtedly alarmed by the sabotage of the big monopolies and their sharpening offensive against Roosevelt, the C.I.O., and all progressive measures. The people will see in our proposals a sound approach to their problems and needs, and to the struggle against the fascist, war-making forces.

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NOTES ON THE DEFENSE OF AMERICAN DEMOCRACY

BY GENE DENNIS and GIL GREEN

WHEN Communists declare their complete adherence to the principles of democracy, announcing their readiness to defend it from fascist foes, reactionary bourgeois scribes and professional skeptics accuse us of artful "maneuvers," while Trotskyite-Lovestoneite traitors, posing as "Marxists," shout "betrayal." Both these schools of "thought," if vilification and treachery can be classified as such, have a common platform. They desire to confuse the masses as to what Communism stands for, to distort truth in the interests of reaction and fascism.

The Communist movement, as expressed by Marx in *The Communist Manifesto,* disdains to hide its views. It states its opinions openly and frankly. The Communist Party proclaims the fact that it is the party of the revolutionary working class, the party of socialism. That is why it has been and remains the most energetic, most consistent and most devoted champion of democracy. For socialism is the logical goal of the democratic struggle; it is the highest development of democracy.

This organic relationship between democracy and socialism is not understood by many people, first by those who, under the influence of the bourgeoisie, are led to believe that communism or socialism constitute a negation of liberty and freedom; and second by those honest Socialists who are influenced by the poison of counter-revolutionary Trotskyism.

* * *

Marx and Engels, the founders of scientific socialism, were in their time stalwart fighters in behalf of democracy. In the epoch of the bourgeois-democratic revolution, they rallied the proletariat to guarantee the victory of bourgeois democracy. They realized that under democracy, even limited bourgeois democracy, the working class could have greater opportunity for organizing, for becoming conscious of its historic mission, for advancing further the struggle for socialism.

Lenin, likewise, basing himself upon the teachings of Marx and Engels and the experiences of the Russian and international working class, directly participated in and repeatedly stressed the significance of the democratic struggle. In the very first program of the Russian Social-Democratic Party he wrote:

"Therefore, the most urgent thing the workers must do, the first thing the working class must aim at in bringing its influence to bear upon the government is to *achieve political liberty, i.e.,* the guarantee by law (Constitution) that all citizens will be able

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directly to participate in the administration of the state; to secure for all citizens the right to assembly freely, to discuss their affairs, to influence the state affairs through the medium of associations and the press. The achievement of political liberty is becoming the *'urgent task of the workers,'* because without it the workers have not, and cannot have, any influence in the affairs of the state, and for that reason must inevitably remain a degraded and voiceless class totally without rights." (*Selected Works,* Vol. I, p. 491.)

Nor did Lenin, brilliant strategist of the proletarian revolution, see a contradiction between the struggle for democracy and for socialism. To him they were inseparable parts of a single whole.

The Trotskyite-Lovestoneite enemies of the working class and the people's movement have the gall, however, to use the name of Lenin against democracy, to refute Leninism by misquoting Lenin. They distort Lenin's critique of bourgeois democracy in order to obstruct and destroy the struggle for democracy today. We Communists understand full well the limitations of bourgeois democracy. That is why we are the exponents of and fighters for a higher and more complete form of democracy, socialist democracy. That is why we also combat the views of those who, influenced by Trotskyite-Lovestoneite poison, think that it was correct to fight for democracy in the period of the bourgeois-democratic revolution, in the lifetime of Marx and Engels and in the days of tsarist Russia, but that today such a struggle is incorrect.

No one will dispute the fact that in the United States today the people do not face the task of achieving a bourgeois-democratic revolution. This historic task was accomplished, in the main, and in a revolutionary manner, by past generations, through the American Revolution of 1776 and the Civil War of 1861. But even today this task has not yet been *completely* realized. In the South a nation, the Negro people, continue to live in semi-feudal bondage, denied the elementary rights of citizenship. For the Negro people the broader aspects of bourgeois democracy are still to be attained. Furthermore, every generation of Americans without exception has had to struggle for the realization and extension of existing rights and for the granting of new democratic liberties. Suffrage was won by the American people only when the Bill of Rights was added to the Constitution many years after the birth of the republic. Women's suffrage was not won until 1920; while a large portion of the American people are denied the full rights of citizenship to this very day. The right to organize and strike had been denied American workers for decades although won and recognized in Europe in the nineteenth century. This right is still being disputed by the American ruling class; it still must be won completely. The same is true of many other democratic rights, hampered, restricted or completely denied to the people.

THE NEW FACTOR—FASCISM

Most important of all, however, is a *new* factor which did not exist in the days of Marx and Engels. We live today in the period of the decline of capitalism, in the epoch of proletarian revolution. The bourgeoisie, unable to rule in the old way, fearing the growing organized power of the toilers, disowns its own revolutionary past and discards its own revolution-

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ary offspring—democracy. This it aims to substitute with its open, brutal, dictatorship—fascism. This is the new factor. This is the significance of the rise of fascism throughout the world. This is the meaning of the offensive of reaction and fascism in the United States. Nurtured by capitalism in its youth, democracy has become a Frankenstein to capitalism in its monopolistic stage, in its age of senility. Such is the dialectic of history.

Can the proletariat ignore the struggle for democracy under such conditions? Can the working class permit the reactionary bourgeoisie to destroy its own democratic institutions precisely at the moment when these can best serve the interests of the toiling millions? To ignore this struggle, to permit reaction to accomplish its counter-revolutionary objective, is to ensure the victory of fascism and the destruction of the whole labor and progressive movement. In short, it is to betray not only democracy but the struggle for socialism as well!

* * *

Engels, in 1895, already foresaw the changing attitude of the bourgeoisie toward democracy, its turn toward violence to destroy its own democratic, legal institutions. He wrote:

"The irony of world history turns everything upside down. We, the 'revolutionists,' the 'rebels'—we are thriving far better on legal methods than on illegal methods and revolt. The parties of order, as they call themselves, are perishing under the legal conditions created by themselves. They cry despairingly with Odilon Barrot: *la legalite nous tue,* legality is the death of us; whereas we, under this legality, get firm muscles and rosy cheeks and look like eternal life." (Introduction, *Class Struggles in France,* p. 27.)

Yes, in the United States as well, reactionary finance capital resorts to force and violence, to illegal methods of struggle. It violates the Wagner Labor Act; tries to nullify the Constitution and with it all democratic liberties. It conducts loud tirades against the danger of "revolution," "dictatorship," and "communism," while in its own inner circles it repeats: "Legality is the death of us."

No wonder these forces, in their burning hatred of the democratic mass movement, wish to incite putschist, anarchist and ultra-Leftist actions. They wish to find the legal arguments and justifications for wiping out the people's democratic liberties, for instituting open fascist rule. When their provocations fail, they take the torch in their own hands. Murder, incitement to assassination of the President, vigilante gangs, Black Legions, all become part of their arsenal of weapans against the democratic strivings of the people.

Thus, all provocators, all Trotsky-ite-Lovestoneite traitors in this period serve their fascist masters best by posing as "Leftists." To be influenced by them, as are the Socialists with their sectarian cry of "Socialism or nothing," is the surest road to disaster for the working class; it is to be cut off from all of its democratic allies.

CHANGED CONDITIONS REQUIRE CHANGED TACTICS

The Communist position toward bourgeois democracy has not always been the same. Its tactics have varied in accordance with changing conditions of class relationships. But these tactical changes have never constituted a line directed against democracy as such. We have changed our tactics precisely in order to fight *bet-*

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ter for democracy under different historic circumstances. The failure to understand this is one of the reasons for the feeling among certain confused people that we have made an about-face in our attitude toward the democratic struggle. Comrade Manuilsky, one of the outstanding leaders of the Communist International, answers this question by comparing the immediate post-war period with that of today. He says:

"We Communists have never unreservedly championed bourgeois democracy as the Social-Democratic leaders have done, nor have we unreservedly opposed it as the Anarchists do.

"We approached the question of bourgeois democracy as subscribers to revolutionary dialectics, as the disciples of Marx, Engels, Lenin and Stalin. For example, during the German revolution (1918-19), when the struggle raged around the question of whether Germany was to be a bourgeois republic or a Soviet republic, when Noske was shooting down the workers on the pretext of protecting the bourgeois republic, at that time, bourgeois democracy was the banner around which all the counter-revolutionary forces of Germany rallied. . . . To have come out in defense of bourgeois democracy under such circumstances would have been tantamount to defending the bourgeois counter-revolution against the proletarian revolution.

"The situation is different today. Today, the proletariat in most capitalist countries are not confronted with the alternative of bourgeois democracy or proletarian democracy; they are confronted with the alternative of bourgeois democracy or fascism." (*The Work of the Seventh World Congress.*)

Can anyone dispute the fact that this is also the case in the United States? First, can anyone deny the grave menace of reaction and fascism? Second, does anyone believe that the majority of American people have already been won for socialism? But they are for democracy! They are opposed to fascism! It is from this that we must take our cue.

* * *

It is clear why the Trotskyites and Lovestoneites adopt the line that they do toward the question of democracy. Serving the class enemy, betraying socialism behind "Leftist" phrases, they aid the offensive of fascism. This is true on a world scale. They work to overthrow the Soviet Republic in the interests of fascism. They are the agents of Franco in Spain and of the Japanese militarists in China. In the U. S. they endeavor to disrupt and disorganize the progressive movement and seek to keep America from becoming a force for world peace, for stopping fascist aggression.

On the other hand, there is the "strange" case of certain honest Socialists who really want to become true Marxist-Leninists but have become enamored of loud revolutionary phrases, have become poisoned in their thinking by the Trotskyites and Lovestoneites. Let us remind such people of what Lenin said in 1918 to those in his own Party who became captivated by "Left" phrases:

"And I shall enlighten you, my amiable friends, as to why such disaster overtook you. It is because you devote more effort to learning by heart and committing to memory revolutionary slogans than to thinking them out."

NOT ONLY READ MARX—MASTER MARXISM

Many honest workers have similarly fallen prey to fascinating Left phrases. They have begun to read the writings of Marx and Lenin, but they have not yet studied and what is more, mastered them. They have only memorized certain passages by heart.

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They are not yet Marxists, though they may have a ready formula for the most complicated situation. They must learn to understand the words of Engels, that: "All history must be studied afresh," and that "Marxism is not a dogma, but a guide to action."

Many people who formerly were influenced by Social-Democratic ideology remember the disgraceful role of the Socialist leaders in the last war and post-war period. Today they know what we knew all along, that Social-Democratism was and is bankrupt; that by its policy of class-collaboration it is responsible to history for the defeat of the proletarian revolution in Germany and Austria in 1918-19, and for the victory of fascism in these countries in 1933-34. But they have not yet thought the whole thing through. They do not yet fully understand why Bolshevism triumphed as the world proletarian ideology; why the Soviet Union under the leadership of Lenin and Stalin has been successful in building socialism, in developing democracy further.

These people know today that Social-Democracy in defending bourgeois democracy in the world of twenty years ago betrayed the interests of the working class. Therefore, think they, it is likewise wrong to defend bourgeois democracy from the threat of fascism today. But what a difference there is between defending bourgeois democracy against the proletarian revolution as did the Social-Democrats in 1918 and defending bourgeois democracy against the threat of fascism, today! The former, the policy of defending the reactionary bourgeoisie against the working class in its struggle for a higher form of democracy; the latter, the policy of defending the working class and democracy against the fascist attempts of the reactionary bourgeoisie.

Living Marxism, incorporated in the leadership and activity of the Communist International, is the foundation for our position today. We say, as did Comrade Dimitroff at the Seventh World Congress:

> "We are adherents of Soviet democracy, the democracy of the toilers, the most consistent democracy in the world. But in the capitalist countries we defend and shall continue to defend every inch of bourgeois-democratic liberties which are being attacked by fascism and bourgeois reaction, because the interests of the class struggle of the proletariat so dictate."

* * *

Today the fascist-minded sections of American monopoly capital, as part of the world fascist offensive, have embarked upon a concerted reactionary onslaught to restrict, nullify and destroy the democratic parliamentary processes of government, to abrogate civil liberties, to attack and dismember the trade union movement, and to curtail and wipe out all progressive labor and social legislation.

Therefore, under present conditions the defense of American democracy is not only a defensive struggle for safeguarding the democratic institutions and rights of the people, but simultaneously becomes a counter-offensive of the working class and people against the rule of finance capital.

Thus the dialectics of history create the seemingly paradoxical situation in which to defend bourgeois democracy means to take the field of political struggle against the dominant sections of the bourgeoisie, the financiers of fascism and war—the Morgans and du Ponts, the Girdlers and Fords, the

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Hearsts and the Vandenbergs.

Not to understand that *the fight against reaction and fascism is the main historic task of the present and the new form* in which the political struggle of the working class and people for their final emancipation from capitalism is now being conducted—is not to grasp Marxism-Leninism as a guide to action. It means to abandon Marxism, to disarm the proletariat, and to deliver the democratic people into fascist bondage.

THE DEFENSE OF DEMOCRACY REQUIRES A DEMOCRATIC FRONT OF STRUGGLE

It is precisely because in the organization of the anti-fascist mass movement to preserve and extend democratic liberties and processes it is now possible and vital to mobilize the working class in alliance with the farmers, the professionals, small business people and also even temporarily with certain liberal sections of the bourgeoisie who stand opposed to the unrestricted power of finance capital —that the Trotskyite-Lovestoneite scum strive to prevent the formation of a broad, anti-fascist democratic front. This is why they slander the tactics of the democratic, as well as the People's Front policy as that of "class-collaboration."

But this policy of the democratic front is the antithesis of class collaboration. *It is a policy based upon proletarian unity of action as the axis for uniting all anti-fascist sections of the American people in struggle against the most reactionary circles of monopoly capital.* It is not a policy of reliance and dependence of the proletariat upon the bourgeoisie, but a policy in which independent labor political action and leadership are exercised in a wide democratic front so as to influence, guide and organize the democratic mass movement of the people. It is a policy of political action based upon the teachings of Lenin such as set forth in 1897 in his advice to the Russian workers on the struggle for proletarian hegemony in a democratic movement:

> "The attitude of the working class, as the fighter against absolutism [read today: reaction and fascism—D.-G.], toward all the other social classes and groups that are in the political opposition is precisely determined by the fundamental principles of Social-Democracy [read today: communism] as expounded in the famous *Communist Manifesto.* Social-Democrats [Communists] support the progressive social classes against the reactionary classes, the bourgeoisie against representatives of privileged and feudal landownership and the bureaucracy. . . . This support does not presuppose, and does not require, any compromise with non-Social-Democratic programs and principles—it is support given to an ally against a *particular* enemy. Moreover, the Social-Democrats render this support in order to accelerate the fall of the common enemy; they do not expect anything *for themselves* from these temporary allies, and concede nothing to them. The Social-Democrats support every revolutionary movement against the present social system, they support all oppressed peoples, persecuted religions, oppressed estates, etc., in their fight for equal rights." (*Selected Works,* Vol. I, p. 502.)

The anti-fascist policy of support of democracy aims not to strengthen but to limit, restrict and thereby weaken the power of monopoly capital over the economy and political life of our country. The working class together with the broad sections of the population, in developing the democratic and People's Front policy of defense of democracy, takes as its starting point the protection of the standards of living and the safeguarding of the democratic rights of the people as provided

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for in the American Constitution and the Bill of Rights, and as embodied in such labor legislation as the Wagner Labor Relations Act.

The anti-fascist democratic People's Front policy of defense of democracy, progress and peace, consists in waging a many-sided, consistent struggle for establishing, protecting and extending trade union rights and conditions, civil liberties, and equal rights for the Negro people. It stubbornly fights for the realization of the people's will and mandate by Congress; for guaranteeing the unrestricted power of Congress to enact social and labor legislation; for curbing and ending the usurped powers of the Supreme Court.

It includes further the policy of establishing the democratic control of the people over American foreign policy so as to bring the U.S.A. forward on the international arena as an active and consistent defender of world peace. It demands that Congress enact and enforce federal legislation for curbing the monopolies and trusts, for establishing government control and ownership of the railways, banks and public utilities, for finally establishing a system of taxation based upon ability to pay, where the trusts and monopolies must bear the tax burden.

This policy further insists that the working class and its allies come forward in defense of American democracy as the sole inheritors and defenders of the great progressive and revolutionary traditions and rights of the American people, such as embodied in the Declaration of Independence.

"Whenever any form of government becomes destructive to these ends (life, liberty and the pursuit of happiness) it is the right of the people to alter or abolish it . . . it is their right, it is their duty to throw off such government and to provide new safeguards for their future security. . . ."

True to the spirit of this heritage and inalienable democratic right, the American working people, united in a democratic front of struggle, will defeat the attempts of the Tories of fascism from coming into power. They will utilize existing democratic rights to preserve and extend life, liberty and pursuit of happiness for the American people and as a springboard for solving future historic tasks.

* * *

The question is asked, does our unreserved support of American democratic institutions and liberties signify that we Communists have become supporters of existing bourgeois-democratic governments such as the Roosevelt government?

Our position toward the Roosevelt government in the present situation is conditioned by many factors, chiefly by the concrete relation of class forces in the country, by the central question of defeating reaction and fascism at all costs, and the extent to which the policy of the government contributes, even in a small degree, to this end. We consider that the Roosevelt government was and remains a bourgeois government having at present a liberal bourgeois-democratic program. Our Party has vigorously supported all progressive features and legislative proposals of the Roosevelt administration which, despite their manifest limitations, promote the people's interests, such as the Supreme Court Reform Bill, the Wagner Labor Relations Act, the Wages and Hours Bill, its Reorgani-

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zation Bill, and the present works and relief recovery program, recognizing full well the limitations of these measures.

Our Party supports only that which is progressive in governmental policy and opposes all concessions and capitulations to the reactionaries whether on the issues of relief, subsidies to the banks, or on foreign policy. We have consistently stressed the gap between the progressive declarations of policy by Roosevelt and the various reactionary and compromising actions of his administration, such as on the question of peace. We have pointed out the hesitations, and vacillations and inconsistencies of the Roosevelt administration. We constantly work to mobilize an effective democratic mass movement to bring pressure upon Roosevelt and Congress for realizing the progressive aspects of his platform.

At the same time we Communists vigorously oppose, and organize mass resistance to, the coalition of reactionary Democrats and Republicans in Congress who are working to defeat Roosevelt's progressive reform legislation. Moreover, we uncompromisingly oppose and fight against the preparations of the reactionary sections of finance capital to overthrow the Roosevent government by force and violence.

Moreover, our Party recognizes that within the Roosevelt government, just as within Congress, there is a democratic wing, moving in a more consistently progressive direction, which must be drawn into the developing democratic front movement and into a government based upon its program and policies.

FOR A DEMOCRATIC FRONT GOVERNMENT

This raises a cardinal question. While our Party opposes and will struggle against all attempts to overthrow or supplant the Roosevelt government by a government of reaction —we believe that the immediate democratic interests of the people require that even fulfilment of the limited, non-socialist progressive statement of policy of Roosevelt requires the establishment of a government based upon and representing and responsible to a democratic front which unites in common action the widest masses of the people.

This is why our Party raises before the entire labor and progressive movement as the chief tasks of the hour, as the immediate objective to ensure the defeat of reaction and fascism now, the supreme need of organizing a wide democratic-front mass movement and Congressional election campaign. Such a formation will not only speed up the development of a powerful People's Front against reaction and the fascist warmakers and make possible the establishment of a real People's Front anti-fascist government —but it opens as an immediate perspective the possibility of electing a Congress that can ensure the fulfilment of the people's mandate of 1936, for democracy, security, jobs and peace.

In the present situation, when the defense of bourgeois democracy means to defend both the present and future interests of the American working class and people, Comrade Browder has clearly placed the position of our Party, the position of Marxism-Leninism:

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". . . the Communist Party opposes with all its power, and will help to crush, by all proper and democratic means, any clique, group, circle, faction, or party, which conspires or acts to subvert, undermine, weaken, or overthrow, any or all institutions of American democracy whereby the majority of the American people have obtained power to determine in any degree their own destiny. . . . We of the Communist Party will fight with all our power to defeat, offering our lives if necessary, any and every effort, whether it comes from within or from without, to impose over the American people and nation the will of any selfish minority group or party or clique or conspiracy." (*Traitors in American History*, pp. 27-28.)

Our Party in deeds, as well as words, has given life and meaning to this policy. In every struggle against reaction for democratic and trade union rights, on every front, from Detroit to the deep South, from New York to San Francisco, our Party has proved the most stalwart upholder of the cause of democracy. Above all, by its international working class solidarity, by the glorious action of hundreds of its best sons and members who are fighting in democratic Spain to defend world liberty and peace against fascist aggression and enslavement, our Party has raised to a new high point the banner of democracy as defended by our revolutionary ancestors—Washington, Paine, Jefferson and Lincoln—and as championed by the great international fighters for freedom—Marx and Engels, Lenin and Stalin.

We take this position because in defending American democracy we not only aim to protect existing bourgeois democratic rights and institutions, *but simultaneously to extend present political liberties, as well as rapidly to create the conditions for the establishment of a genuinely democratic anti-fascist government.*

We Communists approach the defense of American democracy with our eyes to the future and not to the past. This is why our immediate goal is not limited only to the defense of bourgeois democracy as such, but is focused on the possibility and necessity of conducting an uncompromising struggle for a democratic mass movement and government against reaction and fascism. This is why we bend every effort to defend American democracy and to give it a *new class content based upon a new relationship of class forces* such as will be made possible by the victory of democracy over fascism.

In pursuing this policy we will not only help save our class, our people and our country from the horrors of fascist enslavement, but we advance the historic objectives of the working class for achieving the socialist reorganization of society and the establishment of socialist, proletarian democracy, the highest form, and most democratic of all democracies, such as triumphantly flourishes on one-sixth of the globe, in the land of victorious socialism, the U.S.S.R.

In pursuing this policy, we carry out, in accordance with the concrete conditions of our time, the teachings of Lenin when he counseled the workers of all countries:

". . . it would be a fundamental mistake to suppose that the struggle for democracy can divert the proletariat from the socialist revolution, or obscure, or overshadow it, etc. On the contrary, just as socialism cannot be victorious unless it introduces complete democracy, so the proletariat will be unable to prepare for victory over the bourgeoisie unless it wages a many-sided, consistent and revolutionary struggle for democracy." (*Selected Works*, Vol. V, p. 268.)

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UNEMPLOYMENT—AN OLD STRUGGLE UNDER NEW CONDITIONS

BY H. B.

THE present crisis is not merely a repetition of an old story, nor is unemployment in the present crisis merely a matter of numerical increase of an old condition.

There were still some nine or ten millions unemployed when the recovery trend suddenly stopped. With this as a base and with unemployment increasing at a greater rate than in any previous crisis in American history, the unemployed army has grown, in less than six months, to greater proportions than in the three years of the 1929-33 crisis. According to official estimates, three million workers were made jobless in as many months, from October through December, 1937. This continued acceleration in the rate of increase of unemployment is indicated by a recent statement of the Department of Labor that "1,300,000 workers in non-agricultural pursuits lost their jobs between mid-December and mid-January."

Due to the suddenness with which the present crisis developed, the full significance of this great increase in unemployment has not been fully realized by many of the organizations most vitally and directly concerned. There is still prevalent in too many quarters a matter-of-fact opinion that we are faced merely with a little more of the same old problem.

Fortunately this is not the attitude of the most responsible leaders of the most decisive section in the labor movement—the C.I.O. As far back as last October, at the Atlantic City Conference of the C.I.O., John L. Lewis, Phillip Murray, and other C.I.O. leaders placed this problem squarely before the whole labor movement. In speeches and resolutions presented at that conference, the importance of prompt and vigorous action in defense of the unemployed was stressed and placed as a major problem for the C.I.O. and all progressive unions.

The stand taken by the C.I.O. on the problem of unemployment and the unemployed was as striking a departure from the traditional position of the trade union movement of the United States as its stand on the issues of industrial unionism, organization of the unorganized, and independent political action. This position in regard to unemployment, conforming to the progressive role and policy of the C.I.O., reflects the new conditions which make necessary a different approach, a new program and new tactics in coping with what superficially appear as old familiar problems.

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SOME FEATURES OF A NEW ENVIRONMENT

It is a fact that unemployment is as widespread as in 1932 and that certainly its effects upon the living standards of the millions deprived of gainful employment are as serious. Now, as always, unemployment means immediately reduced living conditions for the families of employed and unemployed alike. Those still working must share the total family income with unemployed members. Those on relief find themselves compelled to exist, at best, only on a bare subsistence level, which is the standard of public assistance. The part-time workers often receive even less than those on relief, though they are not yet counted among the unemployed.

Yet there is not that general gloom which prevailed under seemingly similar conditions in 1931-32.

This is not because the unemployed and employed are more accustomed to unemployment and to its effects. On the contrary, there is much more conscious resentment and unwillingness to suffer unemployment today, much less of a sense of resignation than during the early years of the last crisis. In innumerable ways, the workers have expressed the conviction that they have a right to expect and demand an opportunity for gainful employment.

Workers feel today that unemployment is not inevitable, a sort of act of God against which they can do nothing. Nor do they accept the old theory that they are somehow to blame for their joblessness and destitution. They, and especially those who are organized, consider that the business interests of this country are responsible for their being unemployed. They demand "Job Security" as a matter of right. They have a sense of power based upon the successful struggles they have conducted in the past few years and, therefore, a feeling of confidence that they can find the way to establish their right.

Already during the wave of sit-down strikes, the workers manifested their new attitude toward their rights as workers. When they took possession of the plants in the rubber, auto and other industries, they asserted that they have a sort of property right to their jobs which is as deserving of respect as the right claimed by the owner of the plant. The demagogy of the open-shop employers who tried to justify their strike-breaking activities by claiming that they were defending a great principle—"the right to work," has served further to fortify the conviction of the masses that this is indeed a cardinal right.

It is this conviction and this sense of power that account for the absence of the despair which was such a marked feature of the early years of the previous depression and crisis.

Nor is the present condition merely a matter of a different mood or feeling. On the contrary, the different mood and feeling are a reflection of a different condition.

In 1929 labor organizations were numerically weak and ineffectual. The A. F. of L., which claimed to speak for labor, concerned itself only with the skilled workers who were the better paid and therefore able to pay high dues. These workers and the power of their organization were deliberately separated from the large masses of unskilled and unorganized, who were the first to suffer acute want

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and destitution as a result of unemployment.

The unemployed were, therefore, left to stand alone. They had to organize themselves, without resources, without experience, without leadership or aid other than that which the then small and weak Communist Party could give them. In contrast to the political weakness of the labor movement, the reactionary big business interests were completely entrenched in every division of government. The unemployed were left to fight alone and unaided, except for the Communist Party, against the efforts of big business to impose the entire burden of the crisis upon the workers, the poor farmers and the small business people.

Led by Hoover, all spokesmen of the government stubbornly refused to recognize, even in principle, the obligation to provide relief to the unemployed. It was necessary for the unemployed to fight desperately against actual, unrelieved starvation. And the fight under these conditions had of very necessity to take the form of direct physical conflict due to the organized violence with which the government met every elementary demand of the unemployed.

The new conditions which prevail today are very largely the product of these bitter struggles. It is through these struggles conducted by the unemployed that the people of the United States were aroused against the reactionary policies of the Hoover Administration. It was largely because of this that a demand for a "new deal" grew into a political revolt that placed Roosevelt in the White House and an overwhelming Democratic majority in the Congress. And it was in response to this demand, that the federal, state and local governments acknowledged and accepted, at least in principle, the obligation to provide relief for the victims of economic crisis and mass unemployment.

President Roosevelt has described the change that has taken place as one that has produced "a new moral climate." We may not entirely agree with Roosevelt as to the reason or extent of this "new moral climate," but the fact that the political position of the labor movement and of the unemployed in the United States is vastly different from that in 1929-33 cannot be denied.

And it is with these facts in mind that we must consider in what way the position of the unemployed, and the program, tactics and organization forms for the struggle against unemployment, must differ from those of the preceding crisis.

The following data, from a table prepared by the U. S. Bureau of Labor Statistics, reveal the extent to which some of the major industries have contributed to the growth of unemployment during the first three months of the recession:

AGGREGATE DECLINE IN EMPLOYMENT
(September to December, 1937)

Industry	*September*	*December*	*Total Decline*
Iron and Steel	934,700	773,200	161,500
Machinery	1,157,300	1,001,500	155,800
Lumber	652,400	528,700	123,700
Textiles	1,655,500	1,437,100	218,400
Foods	915,700	712,900	202,800
Railroads	1,133,000	1,008,000	125,000
Construction	1,320,000	987,000	333,000

It should be noted that such industries as auto, which are among the hardest hit, are not included in the table. A recent report shows that of some 230,000 members of the Auto

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Union in Detroit, only 30,000 have even part-time employment. Also, the figures for the next three months, when unemployment continued to increase steadily, are not reflected.

But the table suffices to indicate both the extent of unemployment and the composition of the new recruits to the army of unemployed. It is these new recruits who must be expected to play a decisive role in the unemployment movement of the current crisis. Of these, the most decisive element are the recently organized workers of the basic mass production industries. These are the workers who will determine the program of demands and of action against unemployment.

These workers may not engage in food riots as did the unemployed of 1931-32, they may not conduct hunger marches; but this will not be because they are less militant or less determined to secure the relief they require and to which they feel entitled. The militancy and determination of these workers will find expression in less dramatic forms, but, if anything, in more effective kind of action. They will compel recognition of their rights and respect for their demands through their new unions, through joint political action with their employed brothers, with farmers, with professional and other middle class elements that make up the progressive, democratic forces of the country.

WHAT PROGRAM WILL THE UNEMPLOYED FIGHT FOR?

Today the unemployed, as part of the labor movement, are not only better organized but also more clear as to what they need and what they want. It will not be necessary to waste time and effort in devising a program. During the past eight years many plans and programs have been presented, discussed, and tried out. Few, if any, workers could be fooled today by the various substitutes and panaceas which were offered to the unemployed by Hoover reactionaries and by such demagogues as produced the share-the-work plans, self-help plans. or Townsend plans.

What the unemployed demand and will fight for today, is, first of all, *jobs—the right to do useful work at decent wages!*

Denied opportunity for such work by the owners of industry, the unemployed demand and will insist that the government shall provide such jobs on a public works program.

It is quite true, as even the reactionaries recognize, that the American worker does not want a "dole." But the American workers and the American people refuse to accept the reactionary conclusion that therefore the unemployed must be willing to starve when private industry fails to provide gainful work. Today the same reactionaries, who previously opposed demands for relief to the unemployed on the ground that the dole is degrading, are clamoring for a return to "local, direct relief"—the degrading dole.

But the unemployed, supported by the labor and progressive forces of the country, have no intention to go backward to a system of miserable, degrading hunger doles. Nor even can they accept the present works program as a satisfactory, or, as President Roosevelt called it, a fitting response to their demand for work.

Works Progress Administration, which is the principal form of federal works and relief, is in too many ways

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inadequate. First, there is the fact that the W.P.A. program is arbitrarily limited in so far as the number of jobs it provides. Even after the President asked and the Congress voted the $250,000,000 deficiency, W.P.A. will provide only 2,500,000 jobs, when 14,000,000 workers are jobless.

No change has been made in the monthly earnings of W.P.A. workers since this program was first instituted in April, 1935; that is, no change for the better. The original monthly security wage of $19 to $94 still stands. Actual earnings have, however, been *reduced* as a sort of retaliation for the fact that organized labor insisted that prevailing hourly wages shall be paid. As a consequence, workers are not paid if they are unable to work because of bad weather, holidays, interruptions due to lack of materials, and many other causes. Average earnings of W.P.A. workers are about $50 a month. This is in many cases less than the worker would receive on the basis of a direct relief budget.

Then there is the matter of *kind* of work. W.P.A. is prohibited from engaging in the production of goods which might compete with private industry. As a result, most of the work of W.P.A. consists of construction of roads, airports, golf courses, occasional repair or construction of schools and other small public buildings. Most of the jobs are therefore common labor jobs. This means that when a shoe, textile, auto, railroad, or other skilled or semi-skilled worker loses his job in private industry, he is required to give up his chosen occupation and to become a common laborer.

It means also that much socially needed work, such as the replacement of slum dwellings with decent homes, the production of badly needed consumers goods, etc., is left undone.

W.P.A. is by no means a fitting response to the demand for *useful* work at *decent* wages. Nor does it provide that *job security* which is demanded by the workers of the United States. These basic demands have yet to be won. They can and will be won only in stubborn struggle against the reactionaries who have thus far successfully restricted and obstructed the efforts.

WHAT ABOUT DIRECT RELIEF?

Lately there has been considerable confusion in regards to the question of direct relief. As a consequence of the drive on the part of reactionaries to return to direct relief as a substitute for a works program, many well-meaning progressives, including some in the labor and unemployed movements, have been unwilling to press for a federal program that would provide direct aid to those unemployed who are not taken care of through the W.P.A. and similar programs.

While there can be no doubt as to which is preferable, it is nevertheless wrong and unnecessary to take an either-or attitude. This attitude has been a too convenient alibi for the Washington Administration. First it is declared that the federal government will provide for employables while states and municipalities are to aid the unemployables. Then, having failed to take care of all the employables, the federal government nevertheless proceeds to declare, making it a matter of principle, that it has no obligation to provide direct relief since this is the responsibility of local government.

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As a result, relief standards have steadily deteriorated since the federal government stepped out of the picture. From an average of $23 a month per family at the time when federal grants supplemented state and local relief funds, relief standards dropped to a general average, for 36 reporting states, of $16.87 in October, 1937. Somes states, like Georgia, Mississippi, and other Southern states, actually maintained average standards of as little as $3.50 a month per family.

Federal grants based on the same principle as in the Social Security Act, where contributions are made dependent upon approved minimum standards, would go a long way toward raising relief from the present starvation levels.

It is necessary to bear in mind that a Works Program, especially a useful program, cannot possibly take on workers as rapidly and in as large numbers as the unemployment situation may require. This has been most clearly demonstrated in the present sudden rise of unemployment. Such cities, for example, as Detroit and Pittsburgh, and more particularly the many smaller, one-industry towns, suddenly find themselves with tens of thousands of additional unemployed on their hands. Even if unlimited funds were available to the Works Progress Administration, it would still require considerable time to plan, approve, secure sponsorship, and start work projects. The difficulty of finding suitable projects in such cities, to employ as many as need aid, would become, in fact has actually been, an additional cause of prolonged hardship for hundreds of thousands of needy families.

So, while resisting all efforts to substitute the direct relief dole for the public works program which provides jobs and in most cases more income, we must also oppose those who, on the grounds of such preference, justify the failure to supply the means of subsistence to those unable to secure gainful employment in private industry or on public works.

SOCIAL SECURITY PROVISIONS

The practical way to get rid of the degrading and utterly unsatisfactory dole is by providing a real system of unemployment insurance. By improving present laws so that all workers will be included, so that waiting periods will be shortened or eliminated, so that the amount of benefits will be increased, it would be possible to provide the means of subsistence to the unemployed until they could be placed on a private or public works job.

Similar improvements as regards old-age assistance, mother's aid, and aid to the disabled will take care of the unemployables who cannot be fitted into a public works program.

A consistent effort to bring about these and other improvements in the totally inadequate Social Security laws must and undoubtedly will be a necessary part of every progressive program in this period. Such an effort can be directed towards realizing and implementing the sound principles of the Workers' Social Insurance Bill, which continues to be the best social insurance program yet developed in this country.

In the few months since the unemployment insurance laws have been in operation, it has become clear that the active interest and aid of the unions will be needed, if unemployed

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workers are not to be cheated out of even the meager benefits these laws are supposed to assure. The effort to improve social security will go hand in hand with day-to-day service by the unions in behalf of their unemployed members. The Workers Alliance will render similar services to otherwise unorganized workers.

THE CHARACTER OF OUR STRUGGLE

Already, there is to be noted a considerable difference in the character of the present struggle against unemployment as contrasted to the struggles of the previous depression years. This is not be wondered at. Rather, it would be strange if it were otherwise. Times have changed. The fight of the past eight years has not been in vain. The attitude and policy of the government have changed. Above all, the labor movement has changed in composition, in program, in fighting capacity, in political consciousness.

One may go into almost any important city in the country and find that change reflected in some cases in direct cooperation by public officials with the organized workers; in almost all cases, in evidences of respect for the workers' organizations. This attitude on the part of public officials, whether it be grudging or willing, extends to the unemployed organizations as well as to the trade unions.

Even the most reactionary politicians would hesitate to display such open hostility to the unemployed as was common throughout the period of the Hoover Administration. In some cities the contrast is actually startling. For example, Pittsburgh, the city which a few years ago was notorious as a place owned and governed by Andrew Mellon and the U. S. Steel Corporation, now has a mayor who was elected with the help of the C.I.O. and other progressive forces. As a result, the City Hall of Pittsburgh, which during previous years was the scene of many bloody clashes between police and unemployed, is now made available for meetings of the Workers Alliance.

As a result of united, independent political action, members of the Workers Alliance, as well as of the C.I.O. and A. F. of L. unions, occupy public offices, some as mayors, some as state legislators, some as city councilmen. Thus, we have recently witnessed unemployed demonstrations where public officials, instead of ordering police assaults against the demonstrators, actively participated in such actions of the unemployed.

The struggle against unemployment and for the needs of the unemployed under these conditions and in view of the composition of the most decisive sections of the unemployed, must naturally take new and different forms. While the unemployed organizations as such still have the special responsibility to focus attention on the needs and demands of the unemployed, they no longer stand isolated and alone. The labor and progressive movement as a whole has come to realize that unemployment is not merely the concern of the unemployed, but is a matter of major concern to all the people. The leaders of the C.I.O. in particular have clearly perceived this. A statement which appears in the *Union News Service* of the C.I.O. expresses this when it declares that "millions have been laid off, and that the biggest fight of the C.I.O. is to see that the government

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provides work and adequate relief for them."

Clearly, the active support of the powerful C.I.O. unions, of the forces represented by Labor's Non-Partisan League, the American Labor Party in New York, the Commonwealth Political Federation in Washington, and similar movements in other parts of the country lends tremendous weight to the demands of the unemployed. And the unemployed cannot help but realize that such support is indispensable to the success of their struggle.

Because of this, and because many of them are now members of unions whose policies and tactics they properly respect, the unemployed are not likely to become involved in the type of spontaneous actions which were characteristic of previous struggles.

Responsible leaders of the unemployed are not likely to advise any action which would jeopardize the necessary collaboration with the powerful unions and the influential progressive movements generally. They know, as the unemployed know, that the unemployed can gain more through action that enlists the active support of the broader mass movements, than through the impetuous action of an isolated minority. Even though this requires more patient and careful planning, preparation and tactfulness, it is these rather than the spectacular clashes that will realize the immediate aims of the unemployed and of all concerned with their welfare.

It is especially necessary to stress this, because many reactionaries and some self-styled radicals are, for their own varied reasons, trying to create divisions between the organized unemployed and the unions and other progressive forces.

The reasons for this policy on the part of the reactionaries are clear. For example, it is quite obvious why Tammany Hall, which was defeated by a united coalition of democratic forces of which the unemployed, as represented by the Workers Alliance, were an essential part, would be eager to develop every possible division in that democratic front. Tammanyites and other reactionaries would conceivably resort to all possible provocation and demagogy to accomplish this purpose. Tammany agents who denounced the Alliance during the recent campaign are now professing a great deal of sympathy and concern, not only for the unemployed, but even for the Workers Alliance, in New York. They eagerly offer their help to the Alliance. Of course, they are not so crude as to ask immediate return of favors rendered. They are quite willing to make the investment for the future.

Now, when certain elements in the American Labor Party of New York display lack of interest or friendly concern for the unemployed, the Tammanyites are quick to seize the opportunity to point this out to the unemployed and to the Alliance. Likewise, when Mayor LaGuardia inclines to make concessions to the more conservative elements among his backers, at the expense of the unemployed, the Tammanyites, who in previous years clubbed the unemployed when they demanded relief, now come forward with suggestions for "militant" demonstrations at City Hall.

No one could for long maintain leadership of the unemployed who

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would direct the struggle of the unemployed against progressive public officials supported by organized labor and progressive forces. The unemployed, especially those who are organized, realize that their welfare is bound up with the welfare of the great mass of the people. This is why unemployed leaders who want to be loyal members of the Socialist Party have found it impossible to adhere to the sectarian policies of the Socialist Party and and have therefore found themselves in conflict with the official policy of their party.

Does this mean that the struggle for the demands of the unemployed must be abandoned? Of course not. This struggle is a vital part of the entire labor and progressive movement. It is the special duty and responsibility of the unemployed organization to see that the needs and demands of the unemployed are fully supported by the entire movement. This must be done by directing the struggle against the reactionary, common enemy and by convincing and persuading those of our allies who might tend to forget or ignore our needs that this would be detrimental to the entire progressive front as well as to the unemployed.

With and through the progressive, democratic forces of the people, against the organized forces of reaction: this is the basis of the tactics of the unemployed movement today.

In the forthcoming Congressional and state elections, the unemployed will play a major, and in some cases the decisive role. The results of the elections, in turn, will determine to a considerable extent how far the program of the unemployed can be realized during the next two years.

UNIONS AND THE UNEMPLOYED

One of the most important and encouraging new features of the present situation is the attitude adopted toward the unemployed by some of the most powerful and responsible unions and union leaders. For the first time in the history of the American labor movement, the unions recognize that the struggle against unemployment is an essential and integral part of their role.

The traditional attitude of contempt for those who cannot pay high initiation fees and dues has been abandoned by most unions and all but a few of their most reactionary leaders. The attitude that the union has no obligation towards a worker who cannot be included in a contract or agreement with a private employer is likewise abandoned.

It is largely because of this new attitude that the present depression does not yet witness the large-scale wage slashes that featured the depression under the old "moral climate." And it is largely because of this that the new unions, in the basic mass production industries, have retained their members and have even continued to grow under conditions that heretofore seemed bound to result in the decline of union membership.

The C.I.O. has taken the lead in declaring that its affiliated unions will fight for adequate relief, for public works jobs, and for social security benefits with the same vigor and determination with which it has prosecuted the fight for its members when they were employed in private industry. And the C.I.O. is making good its declaration by organizing unemployment committees in all affiliated lo-

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cals, by setting up city-wide Unemployment Councils.

Responsible leaders of the C.I.O. have recognized that, although it must be the duty of the union to represent its unemployed members and also such unemployed as are normally employed in the industries of their jurisdiction, there is nevertheless still need for such organizations as the Workers Alliance. The Alliance, in turn, has welcomed the entrance of the unions into the unemployed field and has aided in setting up machinery, in developing a program and campaigns around the issues of the unemployed. As a consequence, greater unity of employed and unemployed, of unions and unemployed, has been effected.

This has helped to make the struggle against unemployment a means of advancing the fight for reunification of the entire labor movement. A. F. of L. locals and members have been drawn into joint struggle with C.I.O. and Workers Alliance organizations and members in many localities.

Naturally, there have been some mistakes and weaknesses in carrying out these relatively new tasks and in maintaining these new relationships. Some unions have been slow to develop the necessary machinery for dealing with the problem of their unemployed. Some unions, having little experience, have failed to make their machinery as effective as necessary. The Alliance as well as union organizations have on occasion engaged in rivalry instead of cooperation.

But the basic line of both the unions and the Alliance is correct. Each recognizes the role and the rights of the other. The unions organize their own unemployed members and potential members. The Alliance organizes those not now eligible or subject to the jurisdiction of any union which is able and willing to act on the needs of their unemployed. The efforts of both are coordinated through city-wide councils in which all are represented. On the W.P.A. projects, joint grievance committees are established. The Workers Alliance encourages those who are members or are eligible to union membership to retain or assume membership. The union members encourage and help the unorganized to join the Alliance.

The object is not only to safeguard the immediate interests of the unemployed but also to advance the principles and aims of unionism. On the W.P.A. efforts are made to organize all projects 100 per cent. The consequence is greater power, greater achievements and greater advances towards the common goal.

Reactionary big business has helped to precipitate the present depression in the hope that it might thereby wipe out the gains made by labor during the past several years. But the growing front of the people can and must prevent a reversion to the economic and political conditions of the Hoover period.

The best experiences of the People's Front of France and of the recent struggles of the American people, show that it can be done and show how it can be done.

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THE ECONOMIC CRISIS

BY ROBERT STARK

THE new economic crisis which has begun in the United States not only creates great hardships for the American people, but is a development of profound political significance. Within our own country, the monopolists and their allies will intensify their drive against the living standards and democratic rights of the people, while the democratic front forces will extend and coordinate their struggle against reaction for democratic rights, for social and economic advances. The crisis will extend throughout the capitalist world, greatly increasing the danger of war, sharpening the world struggle between fascism and democracy. Careful study of the crisis will provide a map of the terrain on which the class struggle will be largely concentrated in the near future.

DISTORTIONS IN THE AMERICAN ECONOMY DURING THE LAST BUSINESS CYCLE

This new economic crisis is a cyclical crisis interwoven with the general crisis of capitalism. Due to the effects of the general crisis of world capitalism, the whole business cycle is distorted from its normal course. Such distortions were particularly marked during the recent period in the U. S. The four phases of the normal business cycle are crisis, depression, recovery, and boom. During the last cycle the crisis lasted from 1929 to 1933, the depression from 1933-35, the recovery from 1935-37. But there developed no boom period. In such a period industry operates virtually at capacity, nearly all workers are employed, many new enterprises are started, and production expands to new record levels. But instead of developing into boom, the recovery movement was interrupted by a new crisis. Other distortions of the recovery period, closely interrelated, and without precedent in American history, were:

1. The peak of industrial activity was below the peak of the previous cycle. The index of industrial production, at the high point, was 3 per cent below the peak in 1929. Considering the 7 per cent growth of population, peak production per capita in 1937 was 10 per cent below the peak per capita production in 1929.

2. Mass unemployment remained throughout the cycle, at no time falling below 10,000,000.

3. Government relief, work projects, construction activities, etc., provided a considerable portion of the basis for the recovery which did occur. Thus, in 1936, "government," including local and state governments as well as the federal government, was

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the source of 18 per cent of the national income,* as against only 8 per cent in 1929.

But these figures do not fully bring out the decisive importance of federal expenditures in raising the purchasing power of the masses to a point where a substantial increase in production could occur. For example, additional purchasing power is created by the employment of workers producing goods purchased by recipients of work relief.

4. There was very little extension of fixed capital during the recovery period. During the three years 1935-37, the total of securities issued by domestic corporations for new capital investments was $2,800,000,000, barely one-third of the total of $8,000,000,000 for the single year 1929. (See Table I, below.) Correspondingly, the value of private non-residential building construction (mainly factories and office buildings) during the years 1935-37 totalled $1,900,000,000, less than the total in any single year from 1925 to 1929. (See Table II.) Construction by utilities and railroads was also very scanty. Government borrowings absorbed a portion of the idle funds, and government projects provided a large portion of the capital goods industries.

The considerable activity in the capital goods industries which developed in 1936-37 was due, not only to government projects, but also to widespread installation of more modern machinery and equipment, designed to increase the productivity of labor.

* The Commerce Department national income figures did not include the special veterans' compensation paid in 1936. This payment was added in making the calculation presented. Without this addition the percentage would be 15%.

TABLE I. FINANCE

(In millions of dollars)

Year	*New Capital Issues Domestic Corporations*	*Increase in Gross Federal Debt*
1925	3,605	— 731
1926	3,754	—1,173
1927	4,657	—1,039
1928	5,346	— 726
1929	8,002	—1,009
1935	404	2,078
1936	1,192	3,848
1937	1,194	2,874

Source: New Capital Issues—*Commercial and Financial Chronicle*. Federal Debt—U. S. Treasury Department.

TABLE II. CONSTRUCTION

(In millions of dollars)

Year	*Total*	*Private*		*Utilities*	*Government (federal, state and local)*
		Residential	*Non-Residential*		
1925	10,159	4,253	1,934	1,791	2,181
1926	10,397	4,056	2,340	1,864	2,137
1927	10,896	4,204	2,191	2,128	2,373
1928	11,060	4,338	2,222	2,016	2,484
1929	10,166	3,098	2,304	2,349	2,415
1935	4,561	764	430	788	2,579
1936	6,485	1,245	639	870	3,731
1937	7,002	1,405	840	1,175	3,582

Source: *Construction Expenditures and Employment, 1925-1936; Construction Expenditures and Employment, 1937 compared with 1936;* Works Progress Administration.

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Activity on such a basis was necessarily short-lived, and could not substitute for the investment of capital in the construction of new enterprises.

OBJECTIVE FACTORS WHICH PREPARED THE MATURING OF THE PRESENT CRISIS

What are the factors which caused the distortions described above, and prepared the way for the new crisis?

The primary factor is the great excess of productive capacity, developed especially during the post-war period, in face of a diminishing base of mass purchasing power. This excess of productive capacity, which has become chronic, is characteristic of the period of the general crisis of capitalism. Already in the boom days before the great collapse in 1929, it resulted in the idleness of a considerable part of plant capacity, as well as in colossal idle funds, which were used for speculation on the stock exchange.

"The last cause of all real crises always remains the poverty and restriction in consumption of the masses as compared to the impulse of capitalist production to develop the productive forces as if only the absolute power of consumption of society were their limit." (Marx, *Capital*, Vol. III, p. 568, Kerr edition.)

This contradiction, greatly accentuated in the period of the general crisis of the world capitalist system, was further intensified during the last business cycle. The productivity of labor was greatly increased through speed-up, improved organization of work, and improved equipment. Increases in wage rates which the proletariat obtained failed to compensate for the increased productivity, for the resulting unemployment and part-time work. The rate of surplus value acquired by the capitalists was increased, and the purchasing power of the masses was correspondingly reduced. If we compare the record of manufacturing industries for the cycle 1921-29 with that for the cycle 1930-37, these changes are brought out:

ANNUAL AVERAGES FOR MANUFACTURING INDUSTRIES, 1930-37

(Per cent change from annual averages, 1921-29)

Production	− 7.1%
Employment	−14.5%
Payrolls	−27.2%
Cost of Living	−16.3%
"Real" Payrolls	−13.0%
Man Hours Worked	−31.3%
Productivity per Man Hour	+35.2%

Sources: "Production and Man Hours Worked" from the report *Increasing Productivity and Technological Unemployment*—by the National Research Project. This report gives the figures up to 1934. The computations for the later years were based on the Federal Reserve Board index of manufacturing production, the Bureau of Labor index of employment, and the National Industrial Conference Board index of average hours worked. They were tied in with the N.R.P. figures, use the same series except for production, where the N.R.P. made up its own index, and are certainly comparable with the figures for the years up to 1934.

Employment and Payrolls: Department of Labor.

Cost of Living: National Industrial Conference Board.

Other items computed from the given data.

Thus the decline in employment was double the decline in production, and the decline in payrolls was nearly four times as great as the decline in production. Even when payrolls are adjusted by the cost of living index, which is biased downwards in order to make workers' real wages seem higher than they really are, it remains clear that the worker's share in his product was reduced during the last cycle. This conclusion is verified by census statistics. Estimation of the rate of

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surplus value by the method used by E. Varga gives the following results:

Census Years	*Rate of Surplus Value*
1921, '23, '25, '27, '29, average	127%
1931, '33, '35,* average	141%

Computation of Surplus Value: For the years 1921-1931 the computations given by E. Varga in *The Great Crisis* (International Publishers, New York) were used. For 1933 and 1935 the same method was applied, with depreciation estimated at $1,600,000,000 in 1933, and $2,000,000,000 in 1935.

* Latest census year for which figures are available.

Unemployment relief, works projects, wage increases obtained, especially by the C.I.O., were counteracting influences insufficient to compensate for the increased exploitation of the proletariat. Reduction of government expenditures in 1937 hastened the maturing of the crisis. Work relief wages were reduced from $2,462,000,000 in 1936 to $1,860,000,000 in 1937. No sum was spent in 1937 to correspond with the soldiers' bonus payment of $1,900,000,000 in 1936.

The purchasing power of the working farmers and farm laborers was also reduced during the last cycle. Exploitation of farmers by the banks and monopolies was greatly increased, so that even with greater production, the farmers' incomes were reduced.

TABLE III.
(In millions of dollars)

Year	*Income from Farm Marketing*	*A.A.A. Subsidies*	*Total*
1927	10,016	...	....
1928	10,289	...	....
1929	10,479	...	....
1932	4,328	...	....
1935	6,507	583	7,090
1936	7,633	287	7,920
1937	8,120	380	8,500

Source: Department of Agriculture.

Even with the government subsidies, farm income in 1937 remained $2,000,000,000 below the level of 1929, although the volume of farm products reached a record high in 1937, exceeding the average of 1924-29 by 8 per cent. The main mechanism by which the monopolies increased their exploitation of the poor farmers was the price scissors, forcing down the price of farm products and keeping up the prices of commodities purchased by farmers. While the scissors is nothing new, it operated to an unprecedented extent during the recent cycle.

RATIO OF PRICES RECEIVED TO PRICES PAID BY FARMERS

(Index Numbers, Aug., 1909-July, 1914=100)

Annual Averages		*Monthly Data*	
1929	95	1936: Dec.	98
		1937: Jan.	101
1932	61	Apr.	97
		July	94
1936	92	Oct.	88
		1938: Jan.	81
1937	93	Feb.	77

Source: Department of Agriculture.

Momentarily closed in January, 1937, the scissors were rapidly and increasingly reopened during the remainder of 1937 and the beginning of 1938, playing an important part in the outbreak of the new crisis.

The second factor which prepared the way for the new crisis is the extended grip of monopoly finance-capital on American economic life. Through the industrial trusts, finance-capital maintains prices above the price which would yield an average rate of profit. Swelling their profits in this fashion, the monopolies at the same time further restrict the real purchasing power of the masses. Through the banks, finance capital refuses to supply cheap credit to small enterprises and new business ventures, in

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order to maintain its monopoly of production. But by so doing, finance-capital further restricts the accumulation of capital, that is, the building of new factories and machines, and the employment of additional workers.

The extent of price gouging is especially conspicuous in the case of the most strategic monopoly, the steel trust. The composite price of finished steel products was increased in April, 1937, to a point 14 per cent above the average for 1929, and remains at that high point today, while the average price index for all commodities was 8 per cent *below* the 1929 level in April, 1937, and is now (April, 1938), 17 per cent *below* the 1929 level.

The food trusts are also steadily increasing their monopoly tolls. Before the World War, in 1913, the city worker paid 88 per cent more for his food than the farmer received for it. By 1929 the trusts had increased this spread to 113 per cent, and by 1936, the latest year for which figures are available, to 125 per cent. This increased spread, directly affecting the major source of income of the farmer, and the major item of consumption of the worker, greatly aggravates the contradiction between the productive power of society and the purchasing power of the masses.

At the recent meeting of small business men in Washington, the difficulty of obtaining cheap credit was the only complaint on which these business men were in substantial agreement. During the four crisis years 1930-33, there were over 100,000 commercial failures, while the big railroads, industrial concerns, and banks were saved by the R.F.C., bank holidays, and other governmental assistance. Table IV, derived from *The Statistics of Income* for 1932, shows how the huge trusts were able to operate at a profit even during the worst year of the last crisis, while the smaller companies were losing heavily and, in many cases, going bankrupt.

TABLE IV.

PROFITS OF LARGEST CORPORATIONS AND OF ALL OTHER CORPORATIONS IN 1932

	Number	*Percent of total assets*	*Percent of net profit to capital stock*
All Industries			
Largest Corporations (assets over $50,000,000)	618	53.3%	0.8%
All other Corporations	391,403	46.7%	—7.1%*
Food Industries			
Largest Corporations	19	34.8%	7.6%
All other Corporations	12,966	65.2%	—2.4%*
Tobacco Industry			
Largest Corporations	4	68.0%	29.0%
All other Corporations	332	32.0%	10.6%
Financial Corporations			
Largest Corporations	232	47.9%	2.2%
All other Corporations	103,909	52.1%	—7.0%*

Compiled from *Statistics of Income*, 1932, of the U.S. Bureau of Internal Revenue.

NOTE: Net profits as used in this table include only profits of enterprise, after payment of interest, rent, and the salaries of corporation officials.

* Loss.

The third factor which prepared the maturing of the present crisis, and deformed the business cycle, is the great decay of world imperialism, and

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INDUSTRIAL PRODUCTION, PROFITS, AND NEW CAPITAL INVESTMENTS

1926 - 1937

(Index Numbers: 1926=100)

Sources:
Production: Federal Reserve Board
Profits: Standard Statistics Company
New Capital Investments: Commercial and Financial Chronicle

Note: Profits and New Capital Investments as presented in the chart allow for changes in the purchasing power of the dollar.

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DATA FOR CHART ON INDUSTRIAL PRODUCTION, PROFITS, AND NEW CAPITAL INVESTMENTS

Index numbers, 1926 = 100

Year	Industrial Production	Profits	New Capital Investments	Wholesale Prices	Adjusted Series: Profits	Adjusted Series: New Capital Investments
	(1)	(2)	(3)	(4)	(5)	(6)
1926	100	100	100	100	100	100
1927	98	96	123	95	101	129
1928	103	117	128	97	121	132
1929	110	136	161	95	143	169
1930	89	89	111	86	103	129
1931	75	46	49	73	63	67
1932	59	12	19	65	18	29
1933	70	28	11	66	42	17
1934	73	36	22	75	48	29
1935	83	54	22	80	68	28
1936	97	83	31	81	102	38
1937	103	92	32	86	107	37

SOURCES AND METHODS OF COMPUTATION

1. Federal Reserve Board Index converted to a 1926 base. 1937 data estimated from 11 months figures and an estimate of 85 for December.

2. Standard Statistics index of profits of 161 corporations. 1937 index estimated from figures for first three quarters and an estimate of 75 for the fourth quarter. This series covers industrials, utilities, and railroads, and is not comparable with the figures on page 439, limited to industrials.

3. Commercial and Financial Chronicle series converted to an index base (does not include refunding investments). Index for 1937 based on eleven months' figures and an estimate of $90,000,000 new investments in December. This series covers all new capital investments, and is not the same as that given in page 430 of the text.

4. Bureau of Labor Statistics Wholesale Price Index for all commodities.

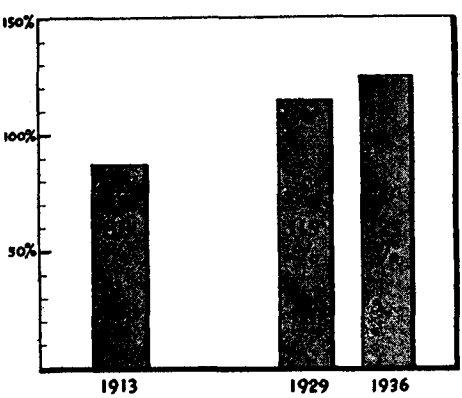
5. Column 2 divided by column 4.

6. Column 3 divided by column 4.

The adjusted series were used to avoid comparing the volume series (industrial production) with the two value series (profits and investments). Deflation by the wholesale price index puts the series for profits and new investments on a purchasing power basis. While such a deflation is not necessary for the purpose of the text argument, which uses the chart to show that new capital investments are relatively low compared to profits, the adjustment was made to avoid giving the impression that profits in 1937 were low in relation to the level of industrial production in that year.

PERCENTAGE BY WHICH RETAIL FOOD PRICES EXCEED FARM PRICES

1913 - 1936



Source: U. S. Dept. of Agriculture

Note: The Agricultural Department gave the data in the form, farm value as a percentage of retail value: in 1913, 53%; 1929, 47%; 1936, 44%. This was converted to the basis used on the chart to give a more effective picture.

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the changed position of American imperialism in the capitalist world. Unable to expand in the restricted domestic market, finance-capital endeavors to export its capital to foreign markets, at the expense of other finance-capitalist cliques. During the period of 1919-30, American imperialism exported a reported total of $10,000,000,000 in capital investments. A large part of this was exported to Europe, whose capitalists, weakened by the war, lacked the resources necessary for the post-war reconstruction. A large part went to colonial and semi-colonial countries, particularly Latin-America, where American imperialism expanded at the expense of rival imperialisms, particularly British.

The export of capital created a market for American machinery and material for use in the foreign enterprises developed, and a certain market for American finished goods in the countries where these enterprises were established. Thus the contradiction between American productive capacity and purchasing power was temporarily alleviated. It was largely due to the strong world position of American imperialism that American production expanded to such high record levels during the 'twenties, while production in the European capitalist countries failed to exceed the pre-war level.

However, the great crisis so weakened the agrarian economies of the colonial and semi-colonial countries that the exportation of capital, both by American and European imperialisms, has virtually stopped. Wholesale defaults, in Europe and elsewhere, have rendered foreign investments taboo. The aggressive fascist imperialisms resorting to dumping methods, by means of subsidies, etc., in order to develop their export trade, have cut into American markets. Thus, Germany is now the largest exporter to Brazil, long dominated by American imperialism. The aggression of Japan in China has destroyed American investments and reduced markets for American products in the Far East. The export of war materials —in the broad sense—has but slightly compensated for these losses to American imperialism. The export of capital and the expansion of foreign markets were lost to American imperialism as a method of increasing production and of temporarily alleviating domestic contradictions.

Thus the three main objective factors which prepared the early maturing of the economic crisis were the increased exploitation of the toilers, the extended grip of the monopolies, and the intensification of the general crisis of world capitalism. Because of these factors, the huge profits of the trusts, which reached the level of the 'twenties during the recovery period, to a large extent remained idle, and were not accumulated in the form of new factories and machinery that would have created additional employment. But the surplus products of the capitalists, the material representation of their unspent profits, can be used only as new capital. As a result the surplus products remained unused or unsold, and the new crisis matured before the old crisis was fully overcome.

THE DEVELOPMENT OF THE CRISIS

The development of the present economic crisis is indicated by the following data:

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TABLE V.
INDEX OF INDUSTRIAL PRODUCTION
(1929 = 100)
(Adjusted for seasonal variations)

	Total	*Durable Goods*	*Non-Durable Goods*
1937:			
Mar.	99	94	103
Aug.	98	104	94
Sept.	93	94	92
Oct.	87	84	86
Nov.	75	62	81
Dec.	71	50	81
1938:			
Jan.	68	47	80
Feb.	67	..	..

Source: Federal Reserve Board.

The index of non-durable goods production (mostly consumers' goods) declined rapidly after March, having reached the limit set by the purchasing power of American society, curtailed by chronic unemployment and agrarian crisis. Durable goods production (mainly capital goods) continued to increase until August, while orders given at the peak of production were being filled. However, since capital goods are purchased only for the purpose of producing consumers' goods, the decline in consumers' goods production was followed by a decline in capital goods, more sharp than any previously experienced. This drop, accelerated by Wall Street's sabotage (discussed in more detail later), amounted to over 50 per cent in four months. During the single month of November, when Wall Street intensified its sabotage in order to prevent the passage of progressive legislation by the Special Session of Congress, durable goods production fell by over 25 per cent.

Since January, production has shown little change. Up to the present (mid-April) there has been no sign of even a temporary increase such as that which occurred in the spring of 1930 after the 1929 crash.

During the latter half of 1936 and the early months of 1937 a speculative boom in raw materials occurred on the major world markets, based on the general cyclical improvement in business, and on the increasing war demand for copper, steel scrap, and other raw materials. Between June, 1936, and March, 1937, the price of copper increased by 67 per cent, tin 40 per cent, and steel scrap, 62 per cent. Farm products and other raw materials participated in speculative increases, although to a lesser extent.

While prices were rising, manufacturers hastened to buy the raw materials, to create a reserve supply before prices got still higher. At the same time they increased their prices. Wholesalers and retailers hastened to order large quantities of goods in anticipation of still higher prices. As a result business generally was very active, and the level of production was above the ultimate consumer demand. Raw material production was especially increased in all parts of the world. In the U. S., copper production was increased from 72,000 tons in October, 1936, to 94,600 tons in April, 1937. The index of mineral production increased from 98 in August, 1936, to 128 in March, 1937, and U. S. farm production in 1937 reached a record level. This was largely due to weather conditions; but the high prices prevailing in the early part of the year doubtless stimulated production.

When the speculators and capitalists "in the know" saw that over-production was taking place, the speculative boom broke, and prices rapidly declined.

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COMMODITY PRICE INDEXES
(1926 = 100)

	1936		1937		1938	
	June	*Mar.*	*June*	*Sept.*	*Dec.*	*Apr. 9*
All Commodities	79.2	87.8	87.2	87.4	81.7	78.5
Farm Products	78.1	94.1	88.5	85.9	72.8	68.1
Raw Materials	77.6	90.1	86.1	84.4	75.4	70.9
All Commodities—Other than Farm Products and Foods	78.8	85.5	86.1	85.9	83.6	82.2
Metal and Metal Products	85.2	96.0	95.9	97.1	96.3	95.9

Source: Department of Labor.

The declines were mainly in raw materials and foodstuffs, the trusts controlling the production of many finished commodities were able to hold prices up, and keep most of the price advances gained in 1936-37.

When prices broke, businessmen reduced their buying, retailers sold goods they had already accumulated, and manufacturers processed raw materials already on hand. As a result, commodity stocks in the hands of producers began to accumulate. Raw material stocks in February, 1938, were nearly 50 per cent greater than a year before, and were approaching the peak level of the previous crisis. These developments constituted a crisis in the sphere of commodity *circulation,* and hastened the decline in production.

Since these price movements were worldwide, the crisis symptoms in the sphere of circulation have developed throughout the capitalist world. While these symptoms will doubtless be reflected in the level of production, the crisis in production has so far been limited mainly to the U. S. However, in recent months, substantial reductions in production have occurred in England and other countries, and there can be no doubt that the American crisis marks the beginning of a new world economic crisis.

The impact of the crisis on the working class is very severe:

(1923-25 = 100)

Item	*Aug., 1937*	*Feb., 1938*
Factory Employment:		
Total	102.3	82.5
Durable Goods	98.1	73.8
Non-Durable Goods	106.9	91.8
Payrolls:		
Total	103.8	73.5
Durable Goods	104.0	64.2
Non-Durable Goods	103.5	85.3
Hours of Work per Week (actual, average)	38.9	33.5

Sources: Employment and Payrolls: U. S. Department of Labor.

Hours of Work: National Industrial Conference Board.

In six months, 20 per cent of all factory workers were laid off, and payrolls were slashed by 30 per cent, the decreases being particularly severe in the heavy goods industries. The extent of part-time work is indicated by the reduction in the average number of hours worked. The development of unemployment, according to the A. F. of L., is as follows:

September	7,513,000
October	7,706,000
November	8,479,000
December	9,307,000
Jan., 1938	10,973,000

Thus, there was an increase from the low point of September of nearly

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3,500,000 unemployed within four months. However, the A. F. of L. figures are obviously too low. The special unemployment census conducted in November indicated that about 11,000,000 were unemployed at that time, allowing for incomplete reporting. Thus it appears that the A. F. of L. figures are too low by about two and a half million. If this error is constant, the low point of unemployment for the whole cycle was actually about ten million in September, 1937, and by January thirteen and a half million were unemployed. The number has doubtless increased since January, especially in the trade and service industries, which felt the crisis later than manufacturing industries. For example, the seasonally adjusted index of department store sales declined more from January to March, than from August, 1937, to January, 1938. At present, after eight months of crisis, the number of unemployed workers in the U. S. probably exceeds 15,000,000, nearly equal to the peak unemployment of the previous crisis.

WHO IS TO BLAME FOR THE CRISIS?

The spokesmen for Wall Street charge that the crisis resulted from the New Deal's reform program and the C.I.O. unionization drive. Between higher taxes and higher wages, big business claims, profits were destroyed, and nothing was left but to shut up shop.

Robert Jackson, in his radio address against the 60 families, correctly said:

"The unvarnished truth is that the government's recovery program has succeeded nowhere else so effectively as in restoring the profits of big business. Labor has had no such advance. The small merchant has had no such prosperity. The small manufacturer has had no such advantage."

Jackson presented figures to prove his point. Figures are available which also prove that the largest corporations have been making better profits than ever before. In the following table the index numbers of the Standard Statistics Company covering the profits of 120 large industrial corporations are compared with the index numbers of factory payrolls. (The Department of Labor index converted to a 1926 base.)

(Index: 1926=100)

Quarterly Average	*Payrolls (unadjusted)*	*Profits (unadjusted)*	*Profits (adjusted for seasonal variations)*
Oct.-Dec., 1936	88.3	115.1	112.7
Jan.-Mar., 1937	92.5	104.3	109.8
Apr.-June, 1937	100.6	128.6	117.4
July-Sept., 1937	97.8	113.0	106.8
Average, Oct., 1936 to Sept., 1937	94.8	115.2	..

While the substantial gains achieved by the C.I.O. succeeded in increasing factory payrolls to the level of 1926 during the second quarter of 1937, profits of large industrial corporations rose in the same quarter to a point nearly 30 per cent above their 1926 profits. The contrast for the entire twelve-month period immediately preceding the recession in business is nearly as striking, with payrolls at 94.8 per cent of the 1926 level, and profits at 115.2 of the 1926 level. It is plain that when big business claims that the C.I.O. destroyed profits, and thereby forced shut-downs, big business crudely lies.

The fifteen public utility corpora-

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tions included in the Standard Statistics tabulations showed profits during the twelve months ending last September, exceeding 1926 profits by 29.2 per cent. Exact statistics are not available to compare payrolls over the same period, but the available figures indicate that payrolls in the public utility industries were from 5 to 10 per cent below the 1926 level. Here again, increased exploitation of labor —and more lucrative monopoly prices.

Since the profit indexes quoted refer to profits after taxes are paid, they also expose the Wall Street cackling against "prohibitive" taxes. The fact of the matter is, that the New Deal spending program, and the wage increases obtained as a result of the C.I.O. organizing drive, were factors tending to increase the degree of recovery, to postpone the crisis, and to mitigate its effects on the masses. Both the New Deal program and the wage increases partly counteracted the increased exploitation of the working class, partly counteracted the reduced markets for goods resulting from chronic mass unemployment and low farm prices.

In a very real sense the finance-capitalists are responsible for every economic crisis. They control the economy of the country and they are to blame for the sufferings which capitalism inflicts on the masses. But their control is anarchic, directed towards the greatest profit of each big capitalist. The very system makes crises inevitable, and the monopolists are powerless to prevent the disastrous results of their control.

In this case, however, the Wall Street gang is especially blameworthy. They deliberately pursued a course of action which hastened and aggravated the crisis. Their actions, directed against the New Deal and the labor movement, weakened the factors making for further recovery, and accentuated the contradictions making for crisis. It is worth while to trace these actions in some detail.

1. The attack against government spending and social legislation. The reactionary attack against the W.P.A. bore its first fruits in the reductions in work relief expenditures during the first half of 1937. Since the government spending program provided a major part of the basis for recovery, its reduction further narrowed the base of purchasing power, and hastened the maturing of the crisis. Reaction then succeeded in further reducing W.P.A. appropriations for the 1938 fiscal year, and in putting over the Woodrum amendment, to prevent any expansion of work relief to meet increased unemployment. The result was that during the autumn of 1937, when millions of workers were losing their jobs in private industry, the W.P.A., instead of hiring some of these workers, was forced to lay off additional W.P.A. workers. This obviously intensified the developing crisis.

The fight against wage and hour legislation, abetted by the criminal tactics of William Green, has succeeded in delaying this legislation for over a year. The fight against the Wagner-Steagall Housing Act succeeded in greatly weakening this measure and delaying its enactment until late in 1937, so that the first steps towards the building of houses are just getting under way.

All of these administration measures tended to increase the basis for recovery, to alleviate the factors mak-

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ing for a new crisis. The Wall Street tactics of reducing existing federal activities, of delaying and weakening new administration measures, tended to hasten the crisis, and certainly increased its severity.

2. The sabotage of plant extension. Although the extension of plant and equipment was kept at a low level throughout the cycle by the deformation of the capitalist economy, there were certain fields where considerable expansion was possible, at a profit. This was especially true of the electric power and light industry, where production in 1937 was 25 per cent above the 1929 level. Although the utility magnates have admitted the possibility of billions of new construction, actual expenditures have remained very low:

ELECTRIC LIGHT AND POWER CONSTRUCTION
(millions of dollars)

1928	681
1929	800
1930	844
1935	170
1936	277
1937	429

Source: Construction Expenditure and Employment—Works Progress Administration.

The power monopolists openly attempted to blackmail the administration, demanding an end to T.V.A. and holding company legislation before they would carry out their construction program. The result was to keep expenditures to a bare minimum necessary to meet the expanded demand for power, reducing and delaying construction, and hastening the crisis.

3. The failure to support the stock market. On August 18 the annual report of Charles R. Gay, President of the New York Stock Exchange, was made public. This report attacked the Securities and Exchange Commission, and charged that government regulation weakened the securities market. That week the stock market started downward, and declined 40 per cent during the next two months. A relatively small number of shares were traded during this period, showing that Wall Street did nothing to support the market, although the decline was nearly as serious as the break of September-November, 1929. In fact, financial plotters took a pretty profit by short selling during the decline. During the entire decline, there was a preponderance of buying in odd-lot purchases, showing that what support came to the market did so in the form of small speculators hunting bargains. While the importance of the stock market is greatly exaggerated by bourgeois economists, its movements undoubtedly do have some effect on the course of business activity.

Wall Street accelerated the stock market decline in an attempt to discredit federal regulation of the securities markets, and to create a situation where the passage of progressive legislation by the special session of Congress would be more difficult.

4. Intensification of the decline in production. As already pointed out, the decline of production, especially in the heavy goods industries, was concentrated in a very few months, from September to January. The most rapid drop in American history was accelerated by wholesale cancellation of orders, partial and complete factory shutdowns, which were actually concealed lockouts. The most rapid decline was in November, just prior to the special session of Congress. There

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is no doubt that shutdowns and layoffs were artificially increased in that period in order to increase the reactionary pressure against the special session of Congress. The finance-capital organ, *The Annalist*, for December 31, 1937, stated:

"Capital is undoubtedly on strike, as stated by the Assistant Attorney General, but not for the reasons he gives. . . . Under the Wagner Act there is only one absolutely unencumbered prerogative left to the employer, *and that is to discharge an employee because of lack of work.*"

While the decline in heavy goods production was dictated by the economic conditions prevailing, it was undoubtedly increased in extent and speed by Wall Street sabotage.

And so we have a spectacle of the leading monopolists, the historic purveyors of faith in capitalism, and roseate predictions of economic progress, now offering nothing but pessimism, attacks against the New Deal and against organized labor. It should be clear this time that the people themselves must fight the crisis—against Wall Street. For the sabotage continues. Roosevelt's spending program to meet the crisis is already meeting a furious barrage from reaction. All measures seeking to alleviate the toilers' sufferings, seeking to restore purchasing power, will be fought by finance-capital. The fight against the crisis must also be a fight to break the sit-down of Wall Street.

FINANCE-CAPITAL'S SOLUTION OF THE CRISIS

Wall Street's solution of the crisis is the historic ruthless solution of capitalism, with new aspects to meet the present conditions of decaying capitalism. The economic crisis is the cataclysm by which the contradictions of capitalism are temporarily solved, only to reappear in aggravated form during the next cycle. And the capitalists' solution is at the expense of the workers, farmers and small business men. The surplus of capital is solved by the destruction of capital, the wearing out of machinery, the bankrupting of smaller and weaker capitalists. Already the monthly number of business failures is 50 per cent greater than last year. The surplus of commodities is solved by a great reduction in production. The accumulated stocks of goods are meanwhile partly destroyed by rotting or deliberate destruction, and partly consumed by the capitalists, including the various small fry officials, rentiers, etc., who continue to purchase goods from savings as well as current income. The reduced rate of profit, resulting from lower production and prices, is restored by cutting wages. In addition, the monopolists force down the price of the raw materials they purchase, driving hundreds of thousands of farmers into foreclosure.

The monopolists, their grip on industry increased, their exploitation of workers and farmers increased, are then ready to renew production.

That is the method by which the last crisis was "solved." But today the people are resisting this solution at their expense. The invigorated labor unions, particularly the C.I.O., have so far limited, and in most industries prevented wage cuts. The Workers Alliance is fighting for increased work relief. The farmers, beginning to cooperate with the labor unions, will more successfully resist foreclosures and evictions.

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THE WORKING CLASS SOLUTION OF THE CRISIS

The working class aims to solve the crisis at the expense of those who brought it on, the monopolists. Above all, the working class fights to prevent the misery and starvation which would accompany Wall Street's solution. The working class solution follows four main principles:

1. We propose to increase purchasing power by increased government work projects, C.C.C., legislation guaranteeing the farmer his cost of production. All of these proposals require government expenditures. They must be financed by taxing the idle wealth and swollen incomes of Wall Street.

We further propose to uphold and increase purchasing power by minimum wage legislation, increased organization to prevent wage cuts, government legislation and organized consumer action to force down monopoly prices. All of these proposals, which do not require government expenditure, will increase purchasing power by reducing or preventing further increases in the monopolists' profits.

2. We propose to produce the goods the people need by various government projects, useful W.P.A. projects, extended low-cost housing, flood control and soil erosion, extended T.V.A., R.E.A., and aid to municipal power projects, etc. All of these projects would be financed by using the idle funds of the capitalists.

We further propose that the government take over those industries most hamstrung by monopolist control, especially the railroads and the anthracite coal industry. In all industries, let the government operate idle factories in cooperation with the workers normally attached to these factories.

3. All of the proposals mentioned above will increase employment, directly and also indirectly through increased employment in private industry, since activity in the producers' goods industries will be increased to supply the materials required for the government projects, and activity in the consumers' goods industries will be increased to supply the increased purchasing power of the people.

We further propose to increase employment by passage of maximum hours legislation, the Crosser Six-Hour Day Bill for the railroads, trade union activity to reduce the hours of work without reduction in pay, aiming for a 30-hour week in all industry, union activity to reduce intensity of work, eliminate speed-up and stretchout, for vacations with pay.

4. All of these proposals will help the farmer and merchant, by increasing the demand for their products, and by reducing the monopoly price squeeze. In addition, we propose a moratorium on farm foreclosures, increased government loans at lower interest rates, extension of the tenant-aid program, legislation limiting the robbery by the landlords of the sharecroppers and tenants, extension of social security and minimum wage legislation to farm workers.

We advocate increased organized action by farmers, in cooperation with the unions, to achieve the economic and political demands of farmers and workers.

We further propose nationalization of the banks, which are controlled by the monopolies and which hamstring small enterprises; government loans

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at low interest to small business men, a moratorium on urban home foreclosures, additional government loans to home owners at lower interest rates.

Those proposals which require government expenditure can be financed by taxing the rich. At present taxes on consumption, levied on those least able to pay, exceed taxes on wealth and income, levied on those able to pay. The rich, as individuals and through the monopolist corporations, have enough current income and idle wealth to pay many times their present taxes without reducing their extravagant standard of living.

Such proposals constitute a people's solution of the crisis, a program of recovery for the people, at the expense of Wall Street, a program for which the people will have to organize and fight as never before against the fierce reactionary opposition. The President's fireside chat of April 14 marks a good beginning towards this program. It will mark an extension of federal work projects and public works to a higher level than any previously attempted. It will mark the extension of government low cost housing construction to a significant volume. It will mark the first government measures towards the supply of credit to small business.

"The recovery program, it is true, falls short of answering the desperate situation in which the monopolies have plunged us. With 15,000,000 already unemployed, the program could be much bigger than the President outlined it. But—let us first make sure that the President's program is enacted as it stands. It is a fine beginning. Let's pass it and then go on from there."—*Daily Worker*, April 16.

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EDGAR SNOW'S "RED STAR OVER CHINA"

BY V. J. JEROME and LI CHUAN

FOR a reading public continuously misinformed about the Chinese Soviets and the Chinese Communist Party, Edgar Snow's *Red Star Over China** lifts the curtain upon the life of a new world in the former Chinese Soviet Regions.

"Any one who comes to our Soviet region will witness that here we have a new free world with a bright future." These words, spoken in 1934 by Mao Tse-tung, chairman of the former Soviet government, are confirmed in living reality by the warmly sympathetic reporting of this book, marred though it is by errors in interpretation.

Mr. Snow, a talented young journalist with evident love for the Chinese people, traveled through the Soviet Regions in Northwestern China from June to October, 1936. During this period the Kuomintang government was making its plans for "final annihilation" of the Red Army, despite the increasing demand of the Chinese people for an ending of the civil war, and unity for resistance to Japanese aggression.

The historic change which China has since undergone—from internal dissension and helplessness to valiant and successful resistance—is due in large measure, beyond all dispute, to the revolutionary forces in Northwestern China, led by the Communist Party of China.

Snow was the first foreign correspondent to enter the Soviet Regions. He was given every chance to investigate all phases of life there. Leaders of the Communist Party, the Chinese Soviet government, Red Army commanders, for the first time related their biographies, with the Chinese revolution as the kaleidoscopic background. No doors were closed. Every bypath as well as the main road of Soviet life was open for his inspection.

WHAT SNOW SAW IN THE SOVIET REGIONS

In an agrarian country where more than 80 per cent of the people live enmeshed in a semi-feudal economy, any shifting of the status of this broad underlying mass of people is a phenomenon of historic significance. The dynamic ability of the Communist Party and its heroic Red Army to raise this mass from the depths of poverty and misery is ably indicated by Snow:

"I have already described the burden borne by the peasantry in the Northwest under the former regime. Now, wherever the Reds went there is no doubt they radically

* *Red Star Over China*, by Edgar Snow. Random House, New York, $3.00.

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changed the situation for the tenant farmer, the poor farmer, the middle farmer, and all the 'have-not' elements. *All* forms of taxation were abolished in the new districts for the first year, to give the farmers a breathing-space, and in the old districts only a progressive single tax on land was collected, and a small single tax (from five to ten per cent) on business. Secondly, they gave land to the land-hungry peasants, and began the reclamation of great areas of 'wasteland'—mostly the land of absentee or fleeing landlords. Thirdly, they took land and livestock from the wealthy classes and redistributed them among the poor." (P. 216.)

About the peasant's attitude toward the Soviet administration, he reports:

"I must admit that most of the peasants to whom I talked seemed to support Soviets and the Red Army. Many of them were very free in their criticisms and complaints, but, when asked whether they preferred it to the old days, the answer was nearly always an emphatic yes. I noticed also that most of them talked about the Soviets as *Womenti chengfu*—'our government'—and this struck me as something new in rural China." (P. 215.)

The life of the workers in the Soviet areas sharply contrasts with that of their fellows in the rest of China:

"But, for these workers in Wu Ch'i Chen, however primitive it might be, here was a life at least of good health, exercise, clean mountain air, freedom, dignity and hope, in which there was room for growth. They knew that nobody was making money out of them. I think they felt they were working for themselves and for China, and they said they were revolutionaries! In this way I understood why they took so seriously their two hours of daily reading and writing, their political lectures, and their dramatic groups, and why they keenly contested for the miserable prizes offered in competitions between groups and individuals in sport, literacy, public health, wall newspapers, and 'factory efficiency.' All these things were *real* to them, things they had never known before, could never possibly know in any other factory of China, and they seemed grateful for the doors of life opened up for them." (P. 251.)

The liberating force of the Soviet movement is again recognized by Snow when he deals with the changing status of women under the Soviets. Women in a semi-feudal society are considered little better than beasts of burden. In the Chinese Soviet regions women have found their place in active participation in every phase of life.

Despite extremely limited resources and all the difficulties created by surrounding hostile armies, the Soviet government was able to develop industry. The slanders against the Chinese Soviets, which strove to depict them as a destructive force, receive their death blow in this book:

"The Southern Reds, when they came up to the Northwest, spurred on an 'industrial boom.' They brought with them (6,000 miles, over some of the world's most difficult routes) many lathes, turning machines, stampers, dies, etc. They brought dozens of Singer sewing machines, which now equip their clothing factories; . . . lithographic blocks and light printing machines."

An entire chapter, "Death and Taxes," is devoted to the Northwest before the advent of the Soviets into this region. No greater condemnation of official corruption and official indifference to the sufferings of a people could be written. Under the Soviet administration, Snow notes, these ancient curses of China have been removed, and furthermore the road to a new cultural life has been built:

"Opium has been completely eliminated in North Shensi, and in fact I did not see any sign of poppies after I entered the Soviet districts. Official corruption was almost unheard of. Beggary and unemployment did seem to have been, as the Reds claimed, 'liquidated.' I did not see a beggar during

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all my travels in the Red areas. Foot-binding and infanticide were criminal offenses, child slavery and prostitution had disappeared, and polyandry and polygamy were prohibited." (P. 219.)

"Under institutional education the Reds already claimed to have established about 200 primary schools, and they had one normal school for primary teachers, one agricultural school, a textile school, a trade union school of five grades, and a Party school, with some 400 students." (P. 231.)

These few excerpts furnish a glimpse of the many-sided activity of the Chinese Soviets wherever they were able to establish themselves.

HOW SNOW INTERPRETS CHINESE HISTORY

In his warm presentation of life under the Chinese Soviets, Snow has made a positive contribution to the literature relating to the struggles of the Chinese people. His enthusiasm for the Red Army and its leaders and his friendliness toward them are apparent. But in interpreting the history of the Chinese Revolution, he fails to attain the open-mindedness for which his account of conditions in the Soviet Regions is notable. Here, he bases himself neither upon the work of Mao Tse-tung, Chou En-lai, and other builders of the Chinese Soviets, nor yet upon the historical documents of the Chinese Revolution available to him. Here, he begins to weave theories and to write as an irresponsible retailer of gossip and slander. After his honorable praise of the Chinese Soviets, Snow falls victim to the counter-revolutionary Trotskyite interpretation of the Chinese revolution. Thus, we find him stating:

"Great benefits have undoubtedly accrued to the Chinese Reds from sharing the collective experience of the Russian Revolution, and from the leadership of the Comintern. But it is also true that the Comintern may be held responsible for serious reverses suffered by the Chinese Communists in the anguish of their growth." (P. 374.)

We shall see that there is no basis, apparent or otherwise, for Snow's attributing responsibility for the reverses to the Comintern.

Let us analyze these reverses, beginning with the desertion of the bourgeoisie in 1927 to the side of the imperialists and semi-feudal elements.

In 1923 the Third Congress of the Communist Party of China, under the guidance of the Communist International, drafted a concrete political and tactical line for the establishment of a united anti-imperialist national front and for collaboration between the Communist Party and the Kuomintang. This tactical line was based upon Lenin's classic *Colonial Thesis* adopted at the Second Congress of the Communist International, in 1920.

In order to defeat the powerful forces of imperialism and semi-feudalism, it was necessary to unite *all* anti-imperialist forces and join hands with the national bourgeoisie which, through participating, though not without vacillation, in the fight against imperialism, played a revolutionary role. By concentrating their joint attack on the common enemy of the Chinese nation, the workers and peasants were bound to grow in organization and revolutionary consciousness, and to become the leading components of the national liberation movement.

As a result of the national united front tactics, the revolution dealt blow after blow to the imperialist and semi-feudal forces, giving rise to the successful Northern campaign of 1926. The young Communist Party, stand-

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ing before the whole nation as a real force in the struggle for national liberation, grew from a small propagandist group into a mass political party. It was able to educate tens of millions of workers and peasants with the greatest speed and to lead the masses of peasants toward the agrarian revolution.

In the course of revolution, the Chinese proletariat built a powerful trade union movement of almost four million. The All-China Federation of Labor, embracing unions in all branches of industry, in all localities, not only fought for the daily demands of the workers, but stood in the very front of the political struggle for the liberation of China (evidenced by the general strike in Shanghai in May, 1925, the Hongkong general seamen's strike in 1925-26, the successful armed uprising of the Shanghai workers against the Northern militarists in March, 1927, the seizure of the British settlement in Hankow by the workers in 1927, etc.).

The masses of peasants were also drawn into the struggle, particularly after the proletariat had appeared in the political arena. When the rent reduction movement was initiated in 1926, the peasant unions grew rapidly, plunging into the struggle for land in many localities. In Hunan province alone, by April, 1927, the membership of the national peasant union reached 10,000,000.

The growing organization and fighting power of the proletariat and the masses of peasantry formed the backbone of the anti-imperialist revolution. The Communist International foresaw the various stages through which the revolution must proceed, and repeatedly pointed out the necessity of deepening the agrarian revolution as a guarantee for the victory of the national revolution in China.

In a special instruction sent to the Third Congress of the Communist Party of China in 1923, the Communist International said:

> "The national revolution in China and the creation of the anti-imperialist front will necessarily be accompanied by an agrarian revolution of the peasantry against the survivals of feudalism. This revolution can be successful only if it succeeds in sweeping in the bulk of the Chinese population—the parcelized peasantry. . . . The Communist Party, as the Party of the working class, must therefore strive to establish an alliance between the workers and peasants."

But in the leadership of the Communist Party of China there had been in development an opportunist tendency, a tendency to interpret and apply the tactics of the national united front as a subordination of the struggle of the proletariat and the peasantry to the interests of the bourgeoisie. The leadership of Chen Tu-hsiu, Secretary of the Party in this period, was corrupted by patriarchal paternalism and bureaucracy. In the Party there were, however, many healthy elements which followed the Comintern policy and fought against Chen Tu-hsiu's opportunism.

We quote from Snow's book the words of Mao Tse-tung:

> "Chen Tu-hsiu opposed the opinions [Mao's] . . . which advocated a radical land policy and vigorous organization of the peasantry, under the Communist Party. . . . I began to disagree with Chen's Right opportunist policy about this time, and we gradually drew further apart, although the struggle between us did not come to a climax until 1927." (Pp. 143-44.)

Because the Party was young and not yet Bolshevized, Chen Tu-hsiu, as

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one of its founders, was able to dominate it. The Comintern and Stalin warned the Party that the opportunist tendencies represented a danger. In a speech made in the Chinese Commission of the Comintern, in November, 1926, Stalin sharply criticized those Chinese revolutionaries who considered the cessation of the workers' and peasants' struggle a necessary condition for maintaining the unity of the anti-imperialist national front:

"I know that among the Kuomintang people, and even among the Chinese Communists, there are people who do not believe it possible to develop the revolution in the village, fearing that by having the peasantry drawn into the revolutionary movement, the united anti-imperialist front would be broken. This is a profound error, comrades. The anti-imperialist front in China will become stronger and more powerful the more quickly and thoroughly the Chinese peasantry is drawn into the revolution."

And further:

"I know that among the Chinese Communists there are comrades who believe workers' strikes for better material and legal conditions undesirable, and dissuade the workers from striking. This is a great mistake, comrades. It implies a grave underestimation of the role and the specific weight of the proletariat in China."

This idea was again emphasized in the resolution adopted by the Seventh Plenum of the E.C.C.I., in December, 1926, which stated:

"The development of the national revolutionary movement in China now depends upon the agrarian revolution. If the proletariat fails to launch a radical agrarian program, it will not be able to draw the peasantry into the revolutionary struggle and will lose the leadership in the national emancipation movement."

Another document, issued by the Comintern at the end of February, 1927, stated:

"It is necessary to draw the attention of workers who are faithful to the revolution to the fact that at the present time the Chinese revolution, in view of the regrouping of the class forces and the concentration of the imperialist armies, is passing through a critical period, and that further victories will be possible only if a determined course will be taken to develop the mass movement. Otherwise the revolution is menaced with grave peril."

The opportunist leadership of the Communist Party, in the person of Chen Tu-hsiu, Pen Shi-chi, and Tan Ping-shan, refused to consider this vital advice, but continued to pursue its disastrous line during the second stage of the Chinese revolution of 1925-27.

After the national bourgeoisie deserted the revolution, in April, 1927, the revolution suffered a temporary setback through the White terror of the newly-formed imperialist-Kuomintang alliance against the masses in Shanghai, Nanking, and other regions. In opposition to the counter-revolutionary government at Nanking, the Wuhan government—a coalition of the Left-wing Kuomintang and the Chinese Communist Party, representing an alliance of the proletariat, the masses of the peasantry, and the petty bourgeoisie—became the center of the revolution in its new stage: the agrarian revolution.

The Communist International pointed out that the Chinese Party should take advantage of its enormous influence and of its position in the Wuhan government to accelerate the revolutionary struggle of the broad masses. The Party should have fought for the transformation of the Wuhan government into the revolutionary

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democratic dictatorship of the proletariat and peasantry. The resolution of the Eighth Plenum of the E.C.C.I. of May, 1927, stated:

"The main thing at the present time is the 'plebeian' revolutionary solution of the agrarian problem by tens and hundreds of millions of peasants themselves from below. . . . It is necessary rapidly, boldly and determinedly to pursue a policy towards the mass arming of the workers and peasants."

But Chen Tu-hsiu, Pen Shi-chi, and Tan Ping-shan ignored this advice. They not only did not help to accelerate the mass struggle, but under the pressure of reactionary officials in the Wuhan Kuomintang actually restricted the activities of the masses. On May 31, 1927, when 100,000 armed workers and peasants marched upon Changsha to fight against Hsu Ke-hsiang, the notorious militarist who attacked the workers' and peasants' union, these opportunists in the Party leadership called upon the masses for voluntary disarming. This facilitated betrayal by the Left Kuomintang leaders, bringing about the collapse of the Wuhan government, in August, 1927.

Snow writes in this connection:

"Mao placed the greatest blame on Chen-Tu-hsiu, whose 'wavering opportunism deprived the Party of decisive leadership and a direct line of its own at a moment when further compromise clearly meant catastrophe. . . . He did not show other Party leaders the order of the Comintern, nor even discuss them with us.'" (P. 147-48.)

Snow, who has listened to the wise and patient analysis of this particular period of Mao Tse-tung, still lays the defeat of the revolution at the doorstep of the Communist International —*completely ignoring, in his own account, Chen's concealment of the Comintern's directives!*

In this connection one must ask how it is that Snow fails to record the fact that this same Chen Tu-hsiu is today the leader of the Chinese Trotskyites, but links him instead with China's Gorky, Lu Hsun, whose writings were filled with brilliant denunciations of Trotsky and his Chinese followers.

WHAT SNOW FORGOT TO REMEMBER

Having placed the guilt for the setbacks at the door of the Comintern, Snow begins to seek for the "true" mentor of the development of the revolution:

"Had Stalin not waited till 1924 to advance his slogan, 'Socialism in one country' . . . quite possibly the 'intervention' in China might never have begun. . . . When Stalin did develop his fight, the line in China had already been cast. . . . Until then [1926] Stalin's adherents had not yet decisively overpowered the Trotsky theory of 'permanent revolution.' . . . At least a year before Chiang Kai-shek's second and successful *coup d'etat*, Zinoviev began demanding the separation of the Communists from the Kuomintang. . . . Just as early Trotsky began urging the formation of Soviets and an independent Chinese Red Army." (Pp. 376-77.)

Here Snow not only gives the impression that Trotsky was responsible for the achievements of the 1925-27 revolution but also that he was the initiator and ideological mentor of the Chinese Soviets! He slanders Stalin by insinuating that in consequence of his "directives" the tactical line of the Chinese Communist Party led to "the catastrophe of the spring of 1927":

"During these swift months, in which disaster gathered like a mighty typhoon above the heads of the Chinese Communists, Stalin's

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line was subjected to continuous bombardment from the Opposition, dominated by Trotsky, Zinoviev, and Kamenev." (P. 376.)

[True, Snow states that there is "abundant reason to believe that had the opposition's objection been made the basis of an early Jacobin policy in China the tragedy would have been even more severe" (p. 377); but in this he merely adds contradiction and confusion to his totally erroneous account of the guidance extended by the Comintern and Comrade Stalin.]

The Trotsky-Zinoviev opposition, against which the Comintern was struggling, demanded the organization of the Soviets and the Red Army at the first stage of the Chinese revolution, while the national bourgeoisie was still supporting the anti-imperialist struggle. In taking such a position, they denied the fundamental Leninist tactic of making use of even temporary and unstable allies in the struggle against the powerful enemy.

At the very beginning of this period, in which the Wuhan government became the center of the Chinese revolution, the anti-Leninist Trotsky-Zinoviev opposition again demagogically demanded that the Communists leave the Kuomintang and immediately form Soviets.

But clearly, to have advanced the slogan of immediate formation of Soviets at a time when the still-revolutionary Wuhan government enjoyed the support of the broad masses would have benefited only the imperialists and the counter-revolutionary Kuomintang leaders at Nanking, who wished nothing better than to end cooperation between the Kuomintang Left-wingers and the Communists.

Snow, by inference, must also have had the Canton Commune in mind in speaking of reverses. The Canton Commune (December 11-13, 1927) arose about four months after the Kuomintang's complete betrayal. It followed a series of armed uprisings of the workers and peasants in Changsha, Nanchang, and other cities, to protect the advance made in the 1925-27 revolution. The Canton Commune was crushed by the joint forces of imperialists and Kuomintang generals. But the heroic Communards had inscribed on their banner—For a Soviet China of national independence, democracy, and the welfare of the people!

The Sixth Congress of the Communist Party of China, in the summer of 1928, recognized the profound meaning of the Canton Commune. It summed up the experience of the revolution and determined the general line of the Party for the new period. It pointed out to the Chinese workers and peasants that now only through fighting for a Soviet China could the anti-imperialist and agrarian revolution be continued and be transformed at a later period into the nationwide socialist revolution. This main line was afterwards endorsed by the Sixth Congress of the Communist International, held in 1928, which characterized the Commune as not a "rear-guard battle" in the 1927 ebb of revolution, but as a "banner heralding the new stage of the Chinese revo lution—the Soviet stage."

Hence, the Commune, which meant nothing more than a "serious reverse" to superficial observers, meant to the Communist International and the Communist Party of China, "the storming of the heavens" for the Chinese masses, evidence of their iron

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revolutionary determination, presage of their future victories.

But the vulgar, counter-revolutionary Trotsky branded the Canton Commune as "pure putschism" and "militarist adventurism."

Later, when the Soviets were formed in the interior of China, the Trotskyites, while carrying out espionage and conspiratorial activities in these areas for their imperialist masters, denounced the growing Red Army as a "bandit" army, in unison with all the reactionaries. Trotsky had raised the slogan of Soviets at a time when the conditions for their establishment were not mature, at a time when they would have been doomed to certain failure. A mistaken estimation of the class relationships in China? Hardly! For, as the revolutionary movement in China prepared the ground for the establishment of these Soviets, Trotsky became the advance guard of the counter-revolutionary forces seeking to disrupt that steady progress. And when the Soviets became a reality, when masses of Chinese workers and peasants rallied under their banners—those of the very Soviets to which Snow dedicates his book—Trotsky was the first to defame and stab them in the back—Trotsky, whom Snow would make out to be the initiator of the Chinese Soviets!

Among the reverses which Snow charges to the leadership of Stalin, one cannot exclude the damage done to the revolution by Li Li-sanism, a semi-Trotskyite manifestation, in the latter part of 1930. The Communist Party of China has never concealed the fact that for half a year (June to December, 1930), the anti-Leninist line advocated by Li Li-san, then a leading member of the Party, gained dominance in the Party leadership.

Based upon the reckless assumption that both the Chinese and the world revolution would occur simultaneously in the near future, Li Li-sanism attempted uprisings in all the large cities and towns in China. In the agrarian regions it forced the establishment of collective farms, and by its putschist actions threatened the Party's gains, causing damage to the revolutionary movement, and weakening the Party contact with the masses.

But the Party had already matured; with the guidance of the Communist International it quickly liquidated the Li Li-san line. The Bolshevik elements in the Party, led by Comrade Chen Shao-yu (Wang Ming), fought Li Li-sanism, and succeeded early in 1931 in establishing the correct Leninist-Stalinist line, thereby furthering the Bolshevization of the Party.

* * *

Perhaps Snow has in mind the losses suffered by the Chinese Communists during the fierce struggle of ten years, when he writes of reverses.

True, in the last decade tens of thousands of the best sons and daughters of the Chinese nation, foremost among whom were Communists and Young Communists, have fallen in battle against the armies of reaction and the imperialists. But by their heroic sacrifice the foundation for national and social liberation was laid, enabling the Party to go on to these great achievements:

1. It has initiated, mobilized, and led the National Liberation struggle of the Chinese people, raising their political consciousness and fighting strength.

2. It has initiated, mobilized, and

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led the economic and political struggle of the workers, peasants, and the petty bourgeoisie, through which they have become conscious of their own strength.

3. The Soviets and the Red Army have become part of the Chinese Republic and the National Revolutionary Army. They serve as shock-troops and models for the whole country.

The Red Army has perfected for all China the war of maneuver and the methods of guerrilla warfare which are wrecking the Japanese offensive.

4. The Party has initiated and led to the establishment of the anti-Japanese national united front, which alone can hurl back Japanese imperialist aggression.

5. The Party has steeled itself through struggle and has become deeply rooted in the Chinese people.

Wherein lies the invincibility of the Communist Party of China?

Mao Tse-tung gave the answer:

> "The Communist Party of China was, is, and will ever be, faithful to Marxism-Leninism, and it will continue its struggle against every opportunist tendency." (P. 167.)

The history of the Chinese revolution has proved the truth of these words.

Let us ask Snow by what manner of reason he arrives at the conclusion that "the Comintern may be held responsible for . . . reverses suffered by the Chinese Communists"? When the Chinese Communist leaders value so highly the leadership of the Communist International and of Stalin, how can Snow, who professes friendship for the Chinese Communists, vilify the Comintern by such Trotskyite terms, "a bureau of the Russian Communist Party" (p. 374), "an instrument of the national policy of the Soviet Union" (p. 376), and "a glorified advertising agency for the prosaic labors of the builders of socialism in one country"? (P. 378.) Mao Tse-tung himself would be the first to denounce the vicious insinuation against the Soviet Union: "I never met a Chinese Red who drivelled 'our great leader' phrases." (P. 69.)

It was the Communist International, in the decisions of its Seventh World Congress, which gave the Chinese Communist Party its great tactic of stimulating and building the present united national front against Japanese aggression.

On the basis of this tactic, the Party drew up its new political line to unite the Chinese people, first expressed in the famous manifesto issued on August 1, 1935, pointing to the only path of salvation—the tactic of establishing a united national front against Japanese aggression, the organization of a national defense government, and a unified Chinese army.

The Party's new policy received tremendous support, not only from the masses of the Chinese people, but also from the Kuomintang troops sent to fight against the Chinese Red Army.

When, in December, 1936, Chiang Kai-shek was arrested by his own generals, because of having ignored the people's demand for united resistance to the Japanese militarists, and his insistence on the continuation of the anti-Communist campaign, the Communist Party, acting on its new policy, prevented a civil war from developing from the Sian incident. The peaceful settlement of the Sian event, and the role of the Party in that settlement, meant the beginning of a new

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period in Chinese history—the end of civil war and the launching of unified resistance to Japan. It was a tremendous blow to the Japanese imperialists, paving the way for an early rapprochement between the Kuomintang and the Communist Party. It was a mighty victory for the new policy of the Communist Party of China and the political line of the Communist International—and a victory for the peace movement throughout the world.

Unable to understand the significance of this new turn, Snow interprets the united national front tactic in this fashion:

> "Theoretically it is clearly this: that the Communists have been forced to abandon temporarily their thesis that 'only under the hegemony of the proletariat' can the bourgeois democratic movement develop." (P. 443.)

But this interpretation again falls in line with the Trotskyite contention that the Chinese Communists "surrender to the bourgeoisie and the Kuomintang."

Yet on the very next page Snow quotes Mao Tse-tung's words, which literally and clearly refute his own statement. Mao declared:

> "The Communist Party retains the leadership on problems in the Soviet districts and the Red Army, and retains its independence and freedom of criticism in its relation with the Kuomintang. On these points no concessions can be made. . . . The Communist Party will never abandon its aims of socialism and communism; it will still pass through the stage of democratic revolution of the bourgeoisie to attain the stages of socialism and communism. . . ." (P. 444.)

Mao's words evidently fell on ears closed to their meaning.

Objective realities belie Snow's assertion that the Communist Party of China has abandoned the struggle for the hegemony of the proletariat. Surely Snow himself is aware today of the tremendous rise of the Party's prestige in China; the widespread respect and love of the Chinese people for the Eighth Route Army (the former Red Army), which is held up as a standard for all Chinese armies; the Special Administrative District (the former Soviet Region), which has become a model for a truly democratic China; the role played by Mao Tse-tung, Chou En-lai, and Chu Teh in the National Advisory Council and the Military Commission of the National government; the publication of a legal Communist Party daily paper in Hankow; and the emergence into legal existence of a mass trade union movement.

Snow predicts that there is no likelihood of "the Kuomintang quietly signing its death warrant by genuinely realizing bourgeois democracy." (P. 445.) He does not understand that the Kuomintang became a mass people's party during the revolution of 1925-27 precisely because it fought for the revolutionary principles of Dr. Sun Yat-sen—national independence, democracy, and the welfare of the people—and collaborated with the Communist Party of China. The reversing of the Kuomintang's policy in 1927—departure from revolutionary Sun Yat-senism and bloody suppression of Communists and anti-imperialist fighters—resulted in the loss of the Kuomintang's prestige.

But, today, under the new conditions of Japanese invasion and the united resistance of the Chinese people, the Kuomintang has given up its disastrous policy of the past ten years and is reviving its earlier revolution-

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ary tradition. The leaders of the Communist Party repeatedly emphasize the long-range perspective of the Communist-Kuomintang collaboration, not only in driving the Japanese imperialists out of China, but in building a united, democratic republic. Mao Tse-tung, in his report to the Communist Party Conference in Yenan, in May, 1937, pointed out that the character of this republic will be "the alliance of all classes." He also pointed out the far-reaching revolutionary significance of the united front: "Though it has not gone beyond the bourgeois-democratic stage of the revolution, it has the possibility of the *healthy* transformation into non-capitalistic development in the future."

Particularly today is the course of Trotskyite treachery in China exposed. The Japanese armies, in their desperate assault upon a united people fighting for their very existence and their national liberation, have their "Fifth Column" in the Chinese Trotskyites. The trial of the anti-Soviet Trotskyite Center, in January, 1937, brought the disclosure that Trotsky had instructed his followers "not to impede the Japanese invasion of China." The recent trial of the Right-Trotskyite Bloc revealed in the person of Rakovsky—Trotsky's principal adjutant—a spy in the service of the Japanese Intelligence Service. It is understandable now why the Trotskyites fight most bitterly against the national united front policy of the Communist Party in China. They are merely carrying out the orders of the Japanese Intelligence Service. For example, Chang Mo-tao, a notorious Trotskyite, was caught in the act of signaling to Japanese bombing planes at Linfeng. Another Trotskyite, Wang Kung-tu, led an uprising in Kwangsi against Kwangsi's joining the national liberation struggle. Trotskyite slogans in China raised at this crucial time are only meant to serve Japan: "Civil war and the war of liberation must go hand in hand!" "Cooperation between the Communist Party and the Kuomintang is impossible!" and other treacherous catchwords in the same tenor. They have denounced the liberty loan and conscription; to keep friendly foreign powers from giving China any aid, they shout, "Down with all imperialisms!"

Snow is aware of some of these things. Thus, he tells us that "so-called Chinese 'Trotskyites'* . . . earned a very bad stigma as spies and traitors—many of them were led by the logic of their position to join the Blue Shirts and betray former comrades to the police." (P. 373.) Nonetheless, he accepts the slanders of these spies and traitors against the Comintern, and peddles them in his book.

Snow charges that in 1934 the Communist International opposed the extension of aid to the Fukien government by the Chinese Red Army, because "Russia was just then renewing its flirtation with Nanking and had but recently recognized the Kuomintang regime." (P. 382.)

What a preposterous story this is! In fact, it is well known that the Communist International not only fully approved the line of the Communist Party of China regarding the anti-Japanese pact between the Chinese Soviet government and the Fukien Independence government in 1934, but

* Snow here hedges the term *Trotskyites* within quotation marks. Does he mean to cast doubt on his own findings?

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criticized the aid given to Fukien independence by the Chinese Red Army as not sufficiently effective.

As for the restoration of diplomatic relations between China and the Soviet Union, it was an important step in promoting friendship between these two great nations. The Soviet Union, since its inception, has proved herself the most reliable friend of China. The Kuomintang government, in the midst of the 1927 counter-revolution, broke off diplomatic relations with the Soviet Union; but in 1933, considering the national crisis caused by Japanese invasion and the Chinese people's tremendous sympathy for the Soviet Union, it restored diplomatic relations.

Snow characterizes this as having facilitated the destruction of the Southern Soviets. (P. 382.)

Snow seeks to avoid formal responsibility for some phases of his monstrous and complicated slander with the words, "Evidence of this [Trotskyist] opinion is lacking"; but he cannot deny having been a ready mouthpiece for this Trotskyite vilification.

CAN ONE BE A FRIEND OF THE CHINESE PEOPLE AND NOT A FRIEND OF THE SOVIET UNION?

Snow draws a false and unfriendly picture of the Soviet Union.

In the period of 1924-27 the Soviet Union, as is well known, gave moral and material aid to the national revolutionary government, of which the Communists were a vital part. Yet Snow charges that "the Soviet Union in fact did not extend to the Chinese comrades the promised 'assistance and support of the proletarian dictatorship' in any degree commensurate with the need." (P. 441.)

In the same breath he speaks of "the great help" (with the cynical addition, "amounting to intervention") which the Soviet Union rendered, but it was help, we are told, that "had the objective effect of bringing into power the most reactionary elements of the Kuomintang." The Soviet Union's aid, which was one of the important factors contributing to the rapid advance of the revolution of 1925-27, is here distorted into its opposite: a factor responsible for the setback of the revolution!

Snow really paints the Soviet Union as the villain of the piece. Having contributed to the defeat of the Chinese revolution, she deserted the scene: "Deprived of an ally, the Chinese Communists continued to struggle alone. . . ."

Actually, after 1927, the Chinese Soviets, encircled by the Kuomintang troops and by an imperialist blockade, had no possibility of receiving material aid from any foreign power. But the Soviet Union's friendship and revolutionary solidarity were palpably felt by the Chinese Soviets. They understood that every new socialist triumph in the Soviet Union meant a further weakening of the imperialist forces against which they were fighting. The Constitution of the Chinese Soviet Republic, adopted on November 7, 1931, concludes with the momentous clause:

> "The Chinese Soviet power declares that it stands in a common revolutionary front with the world proletariat and the oppressed peoples, and that it regards the country of the dictatorship of the proletariat, the Soviet Union, as its firm ally."

In the concluding chapter of the book we note the summation "that only a great imperialist war, which is

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almost certain to assume the character of a world war," can enable the Chinese people to achieve "revolutionary ascent to power." But this victory depends on "whether or not the U.S.S.R. is drawn into such a war" and on its ability "to make the transition from a program of socialism in one country to socialism in all countries, to world revolution." (!) (P. 449.)

It is difficult to differentiate Snow's conclusion from the outright Trotskyite "theory" of hastening the attack of the fascist aggressors upon the Soviet Union. The Trotskyites, serving the fascist war-makers, carry on their nefarious espionage and provocative activities—with "world revolution" as a demagogic catchword—with the aim of destroying the Soviet Union, precisely because the victory of socialism in the Soviet Union is the greatest inspiration and hope of the workers of every land in their struggle against fascism and war, for peace, democracy and socialism.

* * *

Were Snow to speak as a responsible commentator, he would realize that the road to "revolutionary ascent to power" for the Chinese people is the road of decisive setback to fascism, the road of halting the Japanese military-fascist aggression, *which is but a sector of the aggression of world fascism*—the same road which it must take in conjunction with all the democratic and peace-desiring peoples of the world, in conjunction with the *international* peace policy of the Soviet Union, the road of collective security.

It has been necessary to review this book in detail because, though there is much in it that is factually valuable, the uninformed reader may accept Snow's facile and erroneous analysis. As a reporter, he has written a commendable account of life under the Chinese Soviets. He has, in the main, faithfully and sympathetically recorded his interviews with the leaders of the former Chinese Soviet government, the former Red Army, and the Communist Party of China. But, as an historical interpretor, Snow has been misguided and misguides his reader toward the quicksands of Trotskyism.

Of course, we would be the last to admonish a reporter: Don't analyze your data; don't turn historian. History, however, must be neither invention nor surmise, but firmly based on scientific investigation.

We have presented this critique of *Red Star Over China* with the aim of placing its readers on guard. We hope, too, that our analysis may prove of some value to the author in further endeavors to perceive the true course of the historic movement of the Chinese people.

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FASCIST PENETRATION IN LATIN AMERICA

BY SAMUEL PUTNAM

On November 10, 1937, Getulio Vargas, the virtual dictator of Brazil for the past seven years, announced the "adoption" of a new "constitution" abolishing all constitutional government and setting up a "corporate" or "totalitarian" state. Four days previously, on November 6, Mussolini had joined with Hitler and the Japanese imperialists in an "Anti-Comintern" pact. Upon returning from his visit to Germany, Mussolini had proclaimed the intention of the "fascist international" to include other countries in the pact, and had specifically mentioned Brazil as being already "virtually a fascist state." At the same time his journalistic mouthpiece, Virginio Gayda, was declaring that Brazil was ripe for membership in the new "Holy Alliance." Vargas thereupon proceeded to follow the usual fascist technique of unearthing a "Communist plot" as an excuse for the seizure of unbridled power in the manner of a Hitler or a Mussolini.

What was happening should have been, it would seem, plain enough to anyone—to anyone, that is to say, except a Sumner Welles, a Walter Lippmann, or the numerous other high-salaried agents and press agents of Wall Street imperialism, who have an object in concealing and perverting the facts with regard to the Vargas regime. The truth is: the interests these spokesmen represent are quite willing to have a fascist state in Brazil, or elsewhere in Latin America, provided it does not interfere with business—their business. They are playing Vargas' own game; for Vargas also has reason to conceal, for the time being, the exact nature of his relations with German, Italian and Japanese fascism, which have been assiduously developed by the fascist powers over a period of years.

There is, however, at least one section of the North American monopoly-capitalist press which is a little more frank as to what is going on in the southern half of the Western Hemisphere, as is shown by a glance at the December, 1937, number of that de luxe organ of big business, *Fortune* magazine, which announced for 1938 an extended series of articles on Latin American countries. (The January issue lead off with one on Peru.)

"Brazil," says the unsigned writer in the December *Fortune*, "lies not in the South Atlantic but in those political oceans which divide the United States and Nazi Germany. . . . South America lies across the path of dictatorial dreams." After pointing out the danger of fascist "support" from

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abroad, of the kind that Franco has received in Spain, the writer adds: "Fascism does not attack from across frontiers in the Napoleonic manner. Fascism attacks from within by the cancer and from without only as the cancer's solicitous and devoted friend —the knife."

It is essential, to begin with, that we realize definitely that fascism is no longer a phenomenon limited to Europe and the Far East, but that its hand has reached across the Atlantic and to a greater or less degree has been laid upon *practically the whole* of the vast continent to the south of us, while through the Vargas coup its grip has now been clenched on more than half the population and nearly half (47.8 per cent) of the area of that continent, thereby threatening to add to the Rome-Berlin-Tokio arc the fourth largest country in the world in point of physical size, the ninth in population, with an area of 3,285,319 square miles as compared with our own 3,026,789, and with 47,000,000 inhabitants—a country with the largest iron reserves and with an agriculture that rivals its mineral wealth, producing 67 per cent of the world's coffee, ranking third in cotton and rubber and second in cocoa production, and contributing heavily to the international sugar market.

"Let no one imagine that this Western Hemisphere will not be attacked," President Roosevelt warned in his Chicago speech. That attack began some while since on the economic plane, and is now being carried over onto the plane of politics.

FASCISM HAS FOOTHOLD IN WESTERN HEMISPHERE

Fascism in the Western Hemisphere is no longer a threat; it is a reality. It is true that fascism has not yet been consolidated and stabilized in Brazil; there are definite forces to the Right (rival dictators) and to the Left (the revolutionary and democratic forces represented by the imprisoned Luis Carlos Prestes, Brazil's "Knight of Hope," and the National Liberation Alliance movement, the Democratic Student Union, etc.) which continue to threaten its existence for any length of time. A semi-colonial country still, Brazil has an economy that represents a combination of native capital with latifundist (semi-feudal, big landlord) interests, now allied with the finance capital of Germany, Italy, and, to an extent, Japan. A fascist state in Brazil thus becomes, economically and politically, a spearhead of the world fascist offensive, the Trojan Horse that conceals the armed forces of a new world war, destined rudely to shatter the dreams of the smug isolationist and the pacifist, unless such encroachments are summarily halted by the united forces of democracy on both continents.

It is for this reason that those who would make out the Vargas coup to have been no more than "one of those South American revolutions" do so great a disservice to the cause of peace and humanity. This is neither a "revolution" nor a dictatorship of the kind known of old. The change is *not one of dictators,* but in *the very form of the state,* accompanied by such characteristic features of fascism as the abolition of all democratic rights along with all constitutional government, the suppression of provincial, municipal, all local autonomy, the outlawing of strikes, trade unions and all political parties.

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The real nature of the Vargas coup and of the threat which hangs over all of South America, *drawing nearer every day to North America,* is best brought out by a study of those economic forces and antagonisms which lie behind and determine the course of political events, and of the means by which the aims of Hitler, Mussolini, and the Japanese imperialists are being carried out. This necessitates a glance at the force which has molded Latin America's economic destiny in the past, namely, British and American imperialism. At the beginning of the present depression era, South America got 83 per cent of her imported goods from the United States or Great Britain and less than 17 per cent from Germany, Italy and Japan. Compare the figures for 1936, when Anglo-American exports to South America had dropped to 72 per cent, while German, Italian and Japanese had risen to around 28 per cent. This indicates that the fascist powers have been making a determined drive and that this drive is progressing rapidly.

In order to gain the upper hand economically, the foreign fascists must of necessity usurp the native economy to the detriment of the native working and middle classes; which means that Getulio Vargas is not, as he claims to be, for the people of Brazil, but for Hitler and Hitler's allies. But so, for the matter of that, are the Brazilian latifundistas, and the dominant sections of the native capitalist class, who see their interests as coinciding with those of the foreign invader against their own enslaved and exploited fellow countrymen. In this, the landlords and capitalists receive the whole-hearted backing of the Roman Catholic Church in Brazil, which has a strong monarchist Catholic Action party, corresponding to the Action Francaise in France. For the Integralistas, or Green Shirts, are not the only fascist organization; there are a number of such organizations, varying only in the shade of reaction advocated.

If fascist political forms are to be transplanted and inculcated, resort must be had to every method known to modern propaganda, press, radio and all the rest; and fascist puppets must be set up and maintained in power. This explains why it is that the Nazis, through the German & South American Bank, contributed nearly half a million dollars to Von Cossel and his Brazilian Green Shirts or Integralistas, who, in addition to the backing of such German industrialists as Renner, Von Hartt, Hasenclever, Henning and Stoltz, together with the active assistance of the Gestapo, receive the support of the Italian banker, Count Matarazzo. Similarly, in Peru, Italian commercial ascendancy rests upon the fact that the corrupt and unprincipled dictator, Benavides, is Mussolini's pliant tool. And just as they intervened in behalf of Vargas in Brazil, German and Italian fascists in Mexico, in league with fascist Spaniards and reactionary native elements, are plotting the overthrow of the Cardenas government and the fast-forming Mexican People's Front, and are aiding the concentration of arms in Guatemala, of which they hope to make a second Portugal, should Mexico become a second Spain. There is at present said to be an armed force of 100,000 in Guatemala.

Thus, the bringers of fascism to Latin America are not primarily the British and American imperialists who for so long have controlled the

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continent's economy, but rather those who, however sympathetic their political forms may appear to be to London and Wall Street, now inevitably begin to loom as the trade enemies of American and British finance capital. The writer in *Fortune* senses this, when he says:

"Political and economic revolutions in Europe have substituted for the colonial aspirations of Britain and France the raw material and market aspirations of Germany and Italy, and South America in consequence lies more directly within the field of European ambitions than any part of the Americas has lain since the eighteenth century."

PLANS OF FASCIST AGGRESSORS INCLUDE AMERICA

For South America is distinctly within the picture so far as the plans of the fascist world war-makers are concerned. The latter are not forgetting the wartime value of Argentine meats and grains and Chilean nitrates, a value that was brought out in the last war, in the course of which two naval battles between England and Germany were fought off the coast of Chile. In the event of another war, with the fascist nations on one side and Britain on the other, the former undoubtedly would attempt to cut off England's food supplies from South America and obtain such supplies for themselves, which could only mean the spreading of the war to this hemisphere and the altogether likely involvement of the United States. It is not for nothing that Italian commercial planes now plying the South Atlantic are of the bomber type. And the average North American, with his hazy knowledge of South American geography and his comforting illusions as to the "good wide ocean" between ourselves and Europe, would do well to keep in mind that the run from Pernambuco, Brazil, to Lisbon, Portugal, is 540 miles shorter than the run from Pernambuco to New York.

But United States finance capital interests are even more directly involved. It is instructive to view what has happened to our trade with Latin America in contrast to that of Germany with the same countries. By 1936, our trade was little above the 1914 or pre-war level and far below that of the decade 1920-1930. The Germans had edged the United States out of first place in exports to Brazil (23 per cent of which Germany now supplies) and to Chile (Germany now supplying 29 per cent where the year before she had supplied but 10 per cent). German exports to Brazil for 1937 totaled $35,874,000; those of the United States amounted to $32,789,000. The United States is still first in Columbia, though even there Germany has now taken second place from Great Britain and has just completed an agreement with regard to oil concessions. While United States investments (impaired nearly 50 per cent by defaulted bond payments) represents about half of the $400,000,000 foreign capital in Peru, German exports to that country in 1936 showed an increase of 68 per cent over 1935, having risen from $3,120,000 in 1934 to $11,600,000 in 1936, an increase of more than 300 per cent for the two-year period. The German Gildermeisters control 43 per cent of Peru's sugar crop, representing an investment of from $15,000,000 to $20,000,000. German exports to South America as a whole for the first half of 1937 amounted to $149,000,000 as against $214,000,000 for the whole of

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1936 and a total of $108,000,000 for 1932, the year before Hitler came to power.

STAKE OF YANKEE IMPERIALISTS

From this it may be seen that North American monopolists have a considerable stake in Latin America. Great Britain and the United States together have an investment there of more than $10,000,000,000, England being the largest holder, while the United States share is somewhat less than $5,000,000,000, including about $1,500,000,000, invested chiefly in utilities, oil and mining properties.

That the state of our trade balance with Latin America is becoming a matter of grave concern to this country is indicated by a number of events within the past year or so. Most outstanding of these was President Roosevelt's "good neighbor" visit to Buenos Aires at the end of 1936, the year in which our Latin American exports began to show so decided a drop in comparison with the German. Another was the extension last July of a $60,000,000 gold credit to Brazil in return for trade concessions. A third is the increase just granted to Peru in the matter of its sugar imports into the United States, a surprisingly large increase, from 5,500 to 53,573 metric tons. However, such methods as gold credits and quota extensions do not appear to be of much avail in halting the German and Italian inroads.*

The question arises: how is this economic invasion of the southern continent being accomplished? How does it come that Germany, Italy and Japan, after all these years, are, seemingly of a sudden, wresting South American trade supremacy from England and the United States? It surely is not an affair of chance. It is true, there has been in the past few years a determined and planned drive for these markets on the part of the fascist powers; but this alone, without taking into consideration the historic world economic factors that have favored it, is not sufficient to account for what has happened.

It was the imperialist World War that gave North American finance capitalists their chance at the Southern markets. British and other European commerce with South America practically ceased during the war; whereupon the United States stepped in, with its news services, "good will" overtures and, above all, with its banking investments on the part of the Chase National Bank, the National City Bank (International Banking Corporation), and others, with its utilities, steamship lines, etc., all of which was backed by a policy of military aggression, political meddling and, frequently, open intervention, as in Cuba. By 1920 Wall Street's South American investments had risen to $1,975,000,000; by 1930 they amounted to nearly five billion dollars. From 1921 to 1925 United States exports to South America averaged $279,115,-

* Since this was written Mr. Turner Catledge, correspondent of *The New York Times*, reports negotiations "now in progress between private and civic interests and the government" aiming at "a definite plan, designed to meet the inroads of fascist propaganda in South America."

"Of all the developments in the southern region at this time," the correspondent writes, "the government in Washington seems most immediately concerned with the propaganda of the three chief fascist powers—Germany, Italy and Japan. In them is to be seen a direct challenge to American influence in Latin America. In the case of at least one of these countries the campaign very often takes the form of direct verbal assaults on the United States government." *(New York Times,* Feb. 12, 1938.)—*The Editors.*

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000; from 1926 to 1930 the figure was $447,860,000.

Then came the Wall Street crash of 1929 and the beginning of the general economic crisis of 1929-33 in the capitalist world. The effects were at once and startingly visible in the foreign trade statistics. United States trade with Latin America as a whole for 1930 amounted to $686,044,000, the lowest figure since 1922. By 1931 exports had dropped to $158,691,000, and in 1932 they touched a low of $96,589,000. For 1932 was the bottom year of the crisis, with an industrial production for the United States that was 53.8 per cent of what it had been in 1929, and with our world trade sinking from an average of $4,687,789,000 for 1926-30 to $1,576,151,000 for 1932. A graphic picture is afforded by the drop in North American automobile sales in South America during the first year of the crisis, 1929-30: from $140,000,000 to $62,000,000, or more than 50 per cent.

ECONOMIC PENETRATION BY FASCIST POWERS

It was then, in the face of a market that was at once sluggish and accentuatedly competitive, that the fascist powers, driven by severe economic pressure at home, began increasing their efforts at trade expansion in Latin America, through the sale of cheaper articles of special appeal, the deft popularization of trade marks, and other means. Thanks to the brutal suppression of labor by the fascist political regimes and the starvation wages paid to workers, Germany, Italy and Japan were enabled to undersell democratic England and America. In general, the fascist nations were much more patient, thoroughgoing and subtle in their exploitation of Latin American markets than North Americans in the past had been, with their showier, more "high-powered" methods and their much larger overheads, in the way of equipment, advertising, etc. The fascists also duly played upon the existing Anglo-American rivalries and antagonisms, and upon the feeling against the Monroe Doctrine.

It is conditions and methods such as those described which have made it possible for the Nazis in Brazil to lay hands on the copper mines of Parahyba, the nickel mines of Goyaz, the oil wells of Matto Grosso and Riacho Doce (Alagoas), etc., while Thyssen and the German Industrial Association are encroaching more and more on the 13,000,000,000-ton iron fields of Minas Geraes, and other Nazi capitalists, like Stender, Dannemann and Suerdich are obtaining control of the Bahia tobacco region and the Sao Paulo cotton districts.

The Nazis are by no means the United States' only trade rivals in Latin America. The Italians in Peru, for instance, aided and abetted by Benavides, are in textile, oil and utilities. The Banco Italiano of Lima does 50 per cent of the country's banking business, and Italian business interests as a whole amount to more than $100,000,000. The Japanese are in truck farming and cotton in Peru, and are very much interested in the fishing rights of the Galapagos Islands off the coast of Ecuador. They are also, steadily and shrewdly, building up a trade with Chile and Brazil.

But it is in battleships and bombing planes that both Mussolini and the Japanese are at the present time doing their most spectacular business

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with Latin America. While the Nazis are selling and smuggling arms to nearly every South American nation (Hasenclever, Stoltz and the Stahl union are extremely active in this trade in Brazil), while they are completing arrangements for the construction of a Krupp munitions factory at Rio de Janeiro and are supplying Chile with bombers, Mussolini is doing the same; he is marketing his Caproni planes far and wide—and a new $175,000 Caproni plant, capable of large-scale production, with a hangar of 7,000 square meters, was recently opened at Las Palmas, just outside of Lima. (It is interesting to note that the steel of which this plant was built came from Germany, and that a Nazi engineer was in charge of construction.) In addition to their Peruvian plant, the Italians have another, strategically located one midway down the west coast. The degree of competition they are giving United States aircraft manufacturers is to be seen from the fact that, following the Inter-American Technical Aviation Conference at Lima, in September, 1937, the Italians sold six planes, the North Americans none.

A good deal has been made of the United States Pan-American Airways and their predicted influence in bringing the two Americas closer together. The extent of Italian and German penetration in this field seems to have been overlooked or its importance minimized. Pan-American Airways, as a matter of fact, are inferior in facilities to the German commercial line known as the Condor Air Service or Condor Syndicate, with its 39 landing fields and its 4,500-mile operating range, affording direct communication between Germany and Brazil. The Condor covers the Brazilian coast and serves points far inland. At Recife, in Brazil, the Nazis have acquired a base in the Jequia aerodrome, and they have also obtained a government lease on the aerodrome of Bartholomey de Gusmao. As for Mussolini, his aeronautical plans are ambitious ones. Negotiations have already been concluded for a Rome-Gibraltar-South America line, taking in Brazil, Uruguay and Argentina.

INTENSIVE FASCIST PROPAGANDA

Once again it may be stressed, the economic penetration of South America is closely bound up with political and cultural factors and manifestations. Full-fledged fascist groups and parties are to be found not only in Brazil but in Chile, Argentina and elsewhere. The Chilean fascists even call themselves "Nacistas," or "Nazis," and are backed by German commercial firms doing business in the country. The Brazilian Green Shirts number a million or more. Foreign fascist propaganda is disseminated, not only from embassies and consulates, but by a host of commercial and other agents, including journalists, scientists, professors, technicians, army officers, and plain spies and provocateurs.

German news agencies and the fifteen or more German-owned newspapers in Rio de Janeiro and other cities play their part in Brazil; and all over the continent, the papers are kept supplied with news items and news features, often elaborate ones, from Rome, Berlin, Tokio and Burgos, setting forth the "ideology" of the "totalitarian" state and making a plea for fascist "culture." The radio is another propaganda means of which extensive use is made, with regular short wave

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broadcasts from Berlin and Rome that are said by United States experts to be the best on the air from a technical point of view. There are four German broadcasting stations in Brazil. There are books, lectures, visiting celebrities and pseudo-celebrities, interviews, public addresses and the like. Italian professors are furnished free of charge, and scholarships in German and Italian military academies are generously handed out. Even the police of Rio and Sao Paulo are sent to Berlin to absorb the brutal methods of the Gestapo and learn how to turn Brazil into the Nazi dream, an "Antarctic Germany." Dictator Benavides of Peru does not have to send his police abroad; Mussolini sends "instructors" to Lima.

As a basis for cultural penetration the fascists, in Latin America as in the United States and other countries, rely upon a high-handed regimentation of their "nationals," the Germans being supervised by Nazi agents and "missionaries," along the line of Goering's recently announced "four-year plan." There are, in all, between five and six million Italians in South America, and at least fifteen million more with Italian blood. In Peru there has been a thorough intermingling of Italian and Spanish strains, which facilitates Mussolini's present objectives. There are from 800,000 to 1,000,000 Germans in Brazil, 100,000 or more in Argentina, etc. In 1926 there were 15,000 Japanese in Brazil; by 1935 there were 200,000; there are now probably not less than 250,000. In Peru there are 22,500 Japanese, 10,000 having entered during the last decade. There was a time when Peruvians spoke of the "Japanese peril"; but Lima's leading newspaper, *El Comercio,* now runs protracted instalments on the beauties of life in Japan, alongside features dealing with "Fascist Italy's Cultural Empire."

Italian and German fascists alike are building huge cultural organizations in South America. Mussolini's followers are there spreading the gospel of "Pan-Latinism," one calculated to appeal to the prevailing racial stock, and in this they are supported by the Catholic Church. There is a Pan-Latin "Cultural League," directed by Nicola Pende of the University of Rome, and claiming a membership of half a million; and preparations are being made for a "Latin Cultural Congress," to be held in Buenos Aires. The object is to exalt Rome as the "head of the Latin cultural world." Mussolini's propagandists seem to be especially active in the Argentine, which was visited not long ago by the president of the Italian Senate, Luigi Federzoni.

As for the Germans, they have 1,400 schools in Brazil, with the German language sometimes employed to the exclusion of the Portuguese. They also have innumerable physical culture and other clubs and youth organizations. In the Rio Grande do Sul there are 60 Turnerbund groups, with headquarters in Berlin. The League of German Unions in 1935 comprised 52 organizations, with a membership of 15,000. There are the German Cultural Union, the German-Brazilian Institute for Higher Education, etc.

It is not surprising, in view of all this, if South America is now being swept by a wave of vicious anti-Semitism of the Hitlerite brand. Books slandering the Jews, based upon such sources as the "Protocols of Zion" and

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the articles in Henry Ford's *Independent,* are constantly published. Mexico is flooded with anti-Communist and anti-Semitic leaflets, while the press carries articles eulogizing Hitler, Mussolini, Franco and the Japanese warmakers, and denouncing the Loyalists.

The Trotskyites play their part by slandering the Soviet Union and doing their best to hinder the mobilization of the People's Front forces. The Trotsky nest in Mexico continues to be a source of danger to the entire hemisphere, and Trotskyite organizations are active in Brazil.

ANTI-FASCIST FORCES

If, in this study of fascist penetration in Latin America, so much space has been devoted to the negative side of the picture, it is for the reason that the danger is an imminent one, and one whose gravity hardly could be overstressed. On the other hand, it must be emphasized that *the fascist peril in the Western world is not in any sense an unavoidable one.* It accordingly becomes important to visualize clearly the positive factors upon which a program of popular struggle and democratic mobilization may be based.

In the first place, there is that lack of consolidation and stabilization of the fascist forces which has been mentioned. This is true, not alone of Brazil, but of Mexico, Cuba and other countries. And it is a prime task of liberty-loving citizens of the United States to cooperate, to the fullest extent of their powers, with the peoples of the southern continent in seeing that such a consolidation and stabilization are not effected. This means that not only shall Vargas or other Latin American fascists receive no aid from the U.S.A., but that all possible support must be extended to the opposing democratic forces to prevent the consolidation of fascism in Brazil and to defeat the fascist offensive in other Latin American countries.

The most hopeful feature of the situation as a whole is the growing crystallization of popular front forces in the two Americas. As forecast by Comrade Hernan Laborde, General Secretary of the Communist Party of Mexico, in *The Communist* for last December, the Mexican People's Front in the last weeks of 1937 began definitely taking shape within the framework of the National Revolutionary Party. The provocative uprising that was recently staged (early in February, 1938) from across the Texas border merely served to show that the Cardenas government can be overthrown only by direct intervention on the part of Wall Street, backed by the pro-fascist elements within our State Department. The workers, peassants and the army are with President Cardenas; the Mexican people abhor fascism. Our business is to see that President Roosevelt's "good-neighbor" policy is given positive meaning, that the anti-fascist forces shall be given full suppport in combatting the efforts of the fascist aggressors to establish a war base in South America.

In Brazil, apart from the unsettled rivalries between Vargas and his political opponents of the Right, the continued life and increasing strength of the National Liberation Alliance spirit and of the movement behind Prestes contributes a positive factor of great significance.

Yet another cause of encouragement is the definite weakening of late of Dictator Batista's grip on Cuba, the

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marked resurgence of popular feeling that is taking place in the island, and the breaking through of democratic rights and liberties—including the liberty of speech in behalf of Loyalist Spain. It was North American sugar interests that were responsible for the riveting of Cuba's yoke; and it now becomes our duty to see that the weakening chain is smashed. As for the Dominican Republic, it appears as this is written that an armed uprising of the people is imminent, with the object of overthrowing the bloody tyrant Trujillo and his 40,000 Nazi allies in the form of settlers on the Haitian border.

From this it may be seen that there is ample basis for a resistance to fascism in the Western hemisphere. Standing solidly behind President Roosevelt's declaration for quarantining the aggressor, we in the United States must labor unceasingly in establishing a collaboration of the peace-desiring peoples of the Americas with all the democratic countries, in support of the Soviet peace policy, for halting the fascist war drive.

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PHILOSOPHIC NIHILISM SERVES REACTION

BY MORRIS CHILDS and FRANK MEYER

FROM the earliest days of our country, we Americans have been known as preeminently a "practical" people. That practicality, when it means efficiency, when it means hard-headed realization of the importance of testing theories in practice, is a great and useful quality. But when it leads to contempt for all theory, to narrow smugness and self-satisfaction, its usefulness ceases; it become dangerous to the development of scientific understanding of the problems facing us.

Such underestimation of theory leads at the same time to gullibility for any kind of quack cure-all which pretends to give the concentrated knowledge of the world in a few pages. When a situation arises in which hand-to-mouth thinking becomes clearly inadequate, the natural reaction, due to contempt for real theoretical understanding, is to welcome eagerly any savior who comes along with a patent medicine cure.

Like the synthetic products that crowd the drug store counters, a series of synthetic books, philosophies, and movements have been exploding with dull thuds across the American scene throughout the past few years. Durant's canned philosophy, Lippmann's old wives' tales brought forward as the last dispensation of political science, are only outstanding examples of this tendency.

Pragmatism, the most widely accepted philosophical point of view in America, reflects this pseudo-scientific attitude. In its various forms, pragmatism is an attempt to escape solving the most important of theoretical problems, that of the nature of existence. When the pragmatist denies the importance of the struggle between idealism and materialism, he is simply doing on a more "learned" level what the ordinary citizen does when he scoffs at theories in general and then accepts the first bogus theory that comes along. As Lenin showed, the pragmatist's refusal to consider this vital struggle leads him straight into the camp of idealism.

This tendency of American thinking is a serious matter for the American working class. Only by theoretical understanding through which it makes a thorough analysis of society and plans the future, can the working class break through the accumulated pressure of the existing system. Property relations must be understood to be broken through; class forces must be evaluated, for capitalism to be destroyed and socialism established. Society cannot be transformed by

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spontaneous action and day-to-day thinking. However much capitalism may develop the spontaneous energy of revolt, so long as that revolt is not organized by theoretical understanding which reaches beyond the narrow limits of the capitalist horizon, it can only attempt changes within capitalism itself. And, further, without this wider view, it becomes impossible even thoroughly to understand how to wring concessions from the exploiting class, to bring about reforms today under capitalism so as to lay the base for the transformation of society.

Lenin's famous statement that "Without revolutionary theory there can be no revolutionary practice," warns against underestimating scientific, revolutionary theory and urges us to combat—as strongly as we combat false theoretical positions—all anti-theoretical attitudes, which reduce themselves to a defense, whether conscious or not, of the existing order.

In the youth of the American labor movement, during the great strike wave of 1886, Engels already saw the special danger of this tendency in the United States. Writing to Sorge in November of that year, he said:

". . . from good historical reasons, the Americans are worlds behind in all theoretical things and while they did not bring over any medieval institutions from Europe, they did bring over masses of medieval traditions, religion, English common (feudal) law, superstition, spiritualism, in short, every kind of imbecility which was not directly harmful to business and which is now very serviceable for making the masses stupid. And if there are people at hand there whose minds are theoretically clear, who can tell them the consequences of their own mistakes beforehand and make it clear to them that every movement which does not keep the destruction of the wage system in view the whole time as its final aim is bound to go astray and fail—then many a piece of nonsense may be avoided and the process considerably shortened." (*Correspondence of Marx and Engels*, p. 451, International Publishers.)

THE BOGEY OF WORDS

The latest example of this anti-theoretical attitude is a series of articles in *Harpers Magazine* by Stuart Chase, and his recent book, *The Tyranny of Words.*

Chase has for years been appalled by the waste and misery of our society. The rottenness of capitalism in decay has impressed him with the necessity of looking for a way out of the morass in which he saw civilization. He became for a while the champion of ideas closely akin to technocracy. Like many of the cure-alls for capitalism which base themselves on some surface aspects of the system, technocracy held that the mechanism of exchange, the "price system" was the root of the trouble.

The inadequacy of this approach became apparent to everyone within a few years. Chase himself examined that failure and attempted to learn from it. But he has learned the wrong lessons. He does not see his mistake in the shallow nature of the analysis, the lack of basic study of the society he was attempting to cure. Rather he has now constructed an elaborate apology for making no basic analysis at all, bolstering his position with an attack upon all theoretical thinking. He has become acquainted with the work of men who can be classed broadly as pragmatic-positivists—P. W. Bridgeman, C. K. Ogden, I. A. Richards, and Count Alfred Korzybski. From their writing he developed his present position, that the futility of our thinking and that of the classics arises from be-

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wilderment by words: We construct words for which there are no "referents" (things to which the words refer) in the world, we identify the existence of these words with the existence of things, and then we develop our thinking on the basis of these words.

Thus, the whole trouble in the world today becomes a mere misunderstanding between people who are using words with different meanings. That, even if they understood each other, Tom Girdler and a worker in Republic Steel might have different interests, does not seem to enter Chase's head. The way out for him is to reject any word for which he can find no direct "referent," to reject all generalizations, and, therefore, all scientific laws. He attacks such terms as "unemployment," "fascism," "class-struggle," "capitalism," "proletariat," maintaining that these words bring misunderstanding and failure to solve our problems. Instead of making our task examination of the world around us and on that basis formulation of generalizations, conclusions with which to attack in practice the problem of changing what we find, the task for Mr. Chase is simply to put our words in order.

The starting-point of pragmatic-positivist thinking in general is refusal to face the basic philosophical conflict between idealism and materialism, which leads them to rejection of materialism. Reality is, by such reasoning, only the direct experience of human beings. The pragmatists state either that experience itself is all that exists, or that anything beyond that "pure" experience is irrelevant to science and knowledge. Their theories derive from Immanuel Kant, who rejected the possibility of ever knowing the real nature of the world (the-thing-in-itself), upon the grounds that all we can ever know is our own experience.

The answer to this agnostic position arises out of the fact that we live and work in the world and are continuously changing it through our understanding and our practice based upon that understanding.

> "The most telling refutation of this, as of all other philosophical fancies, is practice, *viz.*, experiment and industry. If we are able to prove the correctness of our conception of a natural process by making it ourselves, bringing it into being out of its conditions and using it for our own purposes into the bargain, then there is an end of the Kantian incomprehensible 'thing-in-itself.' The chemical substances produced in the bodies of plants and animals remained just such 'things-in-themselves' until organic chemistry began to produce them one after another, whereupon the 'thing-in-itself' became a thing for us, as for instance, alizarin, the coloring matter of the madder, which we no longer trouble to grow in the madder roots in the fields, but produce much more simply and cheaply from coal tar." (Frederick Engels, *Ludwig Feuerbach*, p. 32, International Publishers.)

Alizarin existed in coal tar long before human beings knew it, had "experienced" it. It was not an unknowable "thing-in-itself"; it was simply a not-yet-known thing. As Lenin said:

> "There is absolutely no difference between the phenomenon [the thing known] and the thing-in-itself, and there can be none. The difference is only between what is already known and what is not yet known." (V. I. Lenin, *Materialism and Empirio-Criticism*, p. 77, International Publishers.)

Kant's position can only lead to the idealist conception that matter is non-existent, that everything except our

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thoughts is only a false appearance derived from them.

At the end of the last century, Mach and Avenarius put forward a version of this position called Empirio-Criticism, which became popular in Europe. It penetrated Russian Social-Democratic circles, and Lenin attacked it from the viewpoint of dialectical materialism:

"The difference between materialism and Machism in this particular question is thus reduced to the following: Materialism in full agreement with natural sciences takes matter as the *prius* [the starting-point] regarding consciousness, reason, and sensation as derivative, because in a well expressed form it is connected only with the higher forms of matter (organic matter). . . . Machism clings to the opposite, idealistic viewpoint, which at once leads to an incongruity since, in the first place, sensation is taken as the primary entity, in spite of the fact that it is connected with particular kinds of processes (in matter organized in a particular way), and, in the second place, the hypothesis that bodies are complexes of sensations is here destroyed by the assumption of the existence of other living beings, and, in general, of other 'complexes' besides the given great Self." (*Ibid.*, p. 26.)

Lenin's criticism applied also to the American school of pragmatism which was developing at the time. For William James, leader of the pragmatists, the test of a statement's validity was its "usefulness" to the believer. In this, of course, he proceeded from the premise that since we can only know things through our own experiences, they are the only reality. But Lenin wrote:

"Knowledge may be biologically useful, useful in human practice, in the preservation of the species, but it is useful only when it reflects an objective truth, independent of man. For a materialist, the 'success' of human practice proves the correspondence of our representations to the objective nature of the things we perceive." (*Ibid.*, p. 111.)

Recently the "logical positivists" have given rebirth to the general position of which we are speaking and which Chase's authorities share. They differ from the earliest groups largely in that instead of saying experience is all that exists, they "merely" say that it is impossible to know what is behind experience, therefore we must act as if experience alone existed. Since they reject the scientific, materialist view that our experience reflects a real, material world, they, too, like the pragmatists and positivists, are constantly constrained to consider everything as the product of our minds. This means that *I* must consider everything as the product of *my* mind; for, if all that exists is merely my experiences, my sensations, my thoughts, then I have no more reason to believe in the existence of other people, of other minds, than of material objects. This solipsism, as Lenin pointed out, is the only possible conclusion if the material, external world is denied.

All non-materialist thinking is non-scientific. It is the basis for every kind of reaction; for progress and the revolutionary transformation of society are built upon a scientific understanding of the world.

"Amongst the varieties of idealism there may be thousands of peculiar shades and kinds and it is always possible to add a thousand-and-first shade. To the author of this thousand-and-first puppet system (empirio-monism, for example) its difference from all other varieties will seem to be very momentous. From the point of view of materialism, however, these distinctions are totally unimportant. Important only is the point of departure. Important only is that the attempt to conceive *motion* without mat-

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ter, smuggles in *thought* separate from matter—that is idealism." (*Ibid.*, p. 227.)

Chase has suddenly discovered what is wrong with the world. He is full of the crusader's spirit. The great leaders of human thought of the past become for him misguided and misguiding babblers, creators of "a solemn procession of verbal ghosts." There was once another man who knew the secrets of the universe so thoroughly that all the classics were to him the work of children; Marx was one whose "works and achievements in the general history of intellectual tendencies can take their place at most as symptoms of one branch of modern sectarian scholastics." No one remembers that man today except as part of a book by Engels.

"When a man is in possession of the final and ultimate truth and of the only strictly scientific approach, it is only natural that he should have a certain amount of contempt for the rest of erring and unscientific humanity. We must therefore not be surprised that Herr Duehring should speak of his predecessors with the utmost disdain, and that there are only a few exceptional cases, admitted by him to be great men, who find mercy at the bar of his deep-rooted principles." (Frederick Engels, *Anti-Duehring*, p. 36, International Publishers.)

Chase might well learn modesty from the fate of Herr Duehring.

But what have the pragmatic-positivists given him that enables him to throw over all the thinking of the past? He takes no position on the nature of the world. He apparently admits the existence of a material world; but he says that the only words which have real "referents" are simple designations of objects—and that any abstraction or generalization to be valid must be reducible to a series of concrete simple designations. At first sight this looks like a praiseworthy attempt to avoid mysticism and idealism. But actually, the assumption that no words which do not refer to a series of isolated objects have meaning implies that we can speak only of things we have directly experienced.

CATS VERSUS CONCEPTS

Chase relies much on the physicist, S. W. Bridgeman, who invented the so-called "operational method": "The true meaning of a term is to be found by observing what a man does with it, not what he says about it. . . . The concept is synonymous with the corresponding set of operations."

This means that only words which denote direct experiences can have meaning, for the operations to which Bridgeman reduces his concepts are nothing but his own experiences and sensations. His operationalism is ultimately trapped in solipsism, to which anything convenient or "useful" to the subject becomes true. (If Trotsky's "innocence" is convenient or "useful" to Dr. Dewey, then Trotsky is innocent.) Operationalism, like pragmatism, by claming the purely relative character of all truth, denies the objective validation of our thoughts.

Marxism sets forth the scientific inter-relationship of the absolute and the relative in the realm of human knowledge.

"The materialist dialectics of Marx and Engels certainly does contain relativism, but it is not reduced to it, that is, it recognizes the relativity of all our knowledge, not in the sense of the denial of objective truth, but in the sense of the historical conditions which determine the degrees of our knowledge as it approaches this truth." (V. I. Lenin, *Ma-*

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terialism and Empirio-Criticism, p. 108, International Publishers.)

Lenin states further:

"Human reason then in its nature is capable of yielding and does yield the absolute truth which is composed of the sum total of relative truths. Each step in the development of science adds new fragments of truth, and from this the absolute truth is constituted, but the limits of the truth of each scientific statement are relative, now expanding, now shrinking, with the growth of science." (*Ibid.*, p. 106.)

This materialist-dialectic principle, which, as Lenin points out, shows the distinction between the relative and the absolute to be itself relative and which reveals the absolute in the relative—this principle proceeding from the basis of the material world—becomes for us a guide to transform that world.

Chase's rejection of theory leads him to the rejection of materialism, and, as we shall see below, to a reactionary political position.

Like all the pragmatic-positivists, he tries desperately to escape (in words) from his idealist position. He writes: "The road to understanding . . . is through experience of the outside world." (P. 358.) Yet on the next page we read:

"For those who have followed Einstein and Bridgeman in their destruction of the concepts of 'absolute substance,' 'materialism' is a foolish symbol. We are done with rigid principles which exist only in the brain."

The teachings of Marxism are not rigidly fixed principles created by the subjective whims of an individual, on the authority of his mind and personality alone. They are scientific generalizations based upon observations and practice in a material world, tested by their power to serve for transforming the world. Dialectical materialism is true because, in the words of Engels: "The success of our actions proves the agreement of our perceptions with the apprehensible objective truth of things." If our theories guide practice which successfully changes the objective world, then our theories are true of the objective world.

For this reason Marx's analysis of society in 1848 is still our guide today. While we recognize, with Chase, that the world of today differs in many respects from the world of 1848, we also recognize that basically we are living in the same world of capitalist exploitation. Marx's analysis was not rigid. In the epoch of imperialism, the higher stage of capitalism, it was further developed by Lenin; but Leninism is the Marxism of today, as imperialism is present-day capitalism.

Chase sees only the differences. Each event must be handled as a separate one. In an early chapter he speaks of his cat which is not led astray by abstractions, and in his article in *Harpers Magazine* for November, 1937, he says:

"Man is the one creature who can alter himself and his surroundings. . . . Yet . . . no other animal creates verbal monsters in his head and projects them on the world outside of his head."

Yet it is precisely man's ability to create concepts and project them on the world which enables him, through the unity of theory and practice, "to alter himself and his surroundings." The animal that does not creatively change the world does not use generalizations. All that Chase can learn from his cat is how to lap milk.

"A spider conducts operations that resemble those of a weaver, and a bee puts to

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shame many an architect in the construction of her cells. But what distinguishes the worst architect from the best of bees, is this, that the architect raises his structure in imagination before he erects it in reality. At the end of every labor-process, we get a result that has already existed in the imagination of the laborer at its commencement." (Karl Marx, *Capital,* Vol. I, p. 198, Charles H. Kerr & Co.)

Chase would throw aside man's power consciously to change his environment, by denying the validity of the only method by which he can do so, that of living concepts derived from the material world, concepts which can never become rigid and doctrinaire and out of date because materialistic dialectics—

". . . includes in its comprehension and affirmative recognition of the existing state of things, at the same time also, the recognition of the negation of that state, of its inevitable breaking up; because it regards every historical social form as in fluid movement, and therefore takes into account its transient nature not less than its momentary existence; because it lets nothing impose upon it and is in its essence critical and revolutionary." (*Ibid.,* p. 26.)

Perhaps the impact of the matter which Chase denies will some day convince him of its existence and wake him rudely from his word-fenced dream. In his 1873 preface to *Capital,* Marx said :

"The [periodic economic] crisis is once again approaching, although as yet but in its preliminary stage; and by the universality of its theatre and the intensity of its action it will drum dialectics even into the heads of the mushroom-upstarts of the new, holy, Prusso-German empire." (*Ibid.*)

As we examine Chase's treatment of economic and political questions, it seems almost as if that passage had been written in 1938 with Mr. Chase for its subject. Perhaps the developing economic crisis and its political accompaniments will drum into his head that there exists in the material world such a system as capitalism, that fascism is a menace to him as well as to the rest of humanity, that the class struggle is a reality.

UNEMPLOYED—BUT NO UNEMPLOYMENT

Chase's method of treating social and political problems is developed from his philosophical thinking. Let us consider his approach to the problem of unemployment. The test of his method, as of any method, can be only in the social practice which results from it. Let us apply that test:

"Unemployment is not a thing. You cannot prove its existence or non-existence except as a word. The validity of the concept rests upon the shoulders of millions of your fellow-citizens." (*Tragedy of Waste,* p. 249.)

Unemployment as an actuality cannot be proved. It is "only" millions of men and their families. Chase does not set out to make light of their suffering; but in rejecting the validity of the concept "unemployment," he removes the possibility of understanding and fighting it as a social problem chargeable to capitalism. He demands that each one of the millions of unemployed should be treated as a separate problem. By denying unemployment, he leaves no solution but that which the Duke of Windsor, then Prince of Wales, proposed years ago in England: "Break up the problem of the unemployed into little pieces" —that is, no government assistance, but throwing the unemployed millions and their families upon the mercy of private charity and local hunger doles. This is the policy of the Liberty League and the Vandenburg Republicans, of Mr. Hoover's "rugged

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individualism" which would allow the unemployed to starve.

If there is only unemployed Jack, unemployed Jim, unemployed Tom, up to 17,000,000, no real unemployment with a common cause and a common solution in a real material world, how can the people of America carry out an attack upon the economic royalists and fight against unemployment? How can they struggle for social security provisions?

When he comes to analyze the world in which we live today, Chase likewise rejects the lessons that can be learned from the past. Marx lived in 1848 and since he did not experience what is happening today, he cannot, according to Chase, contribute to solving the problems of today.

"Marx's philosophy was the first comprehensive statement of the theory of socialism. As an offset to the classicists, it was badly needed. As a contribution to knowledge, the case is more dubious. In drawing inferences from the facts which he so conscientiously collected, he mixed in Ricardo's labor theory of value, Hegel's interpretation of history (thesis, antithesis, synthesis), and a large and very human dose of emotional sympathy for the downtrodden, together with hatred for their exploiters. So the final product was part scientific observation, part classical theory, part contemporary philosophy, part good rousing propaganda.

"The followers of Marx, by and large, have dropped the scientific observation overboard, and clung to the theory, the philosophy, and the hatred." (*Tyranny of Words*, p. 265.)

Chase does not see how a man can build upon the contributions of a predecessor and yet make them his own; develop his theories from what is correct in a number of previous theories, while at the same time transcending those theories. Marx demonstrated this scientific attitude in regarding the works of Ricardo and Hegel as reflections of existing reality, distorted by the limitations of their historical position, yet historically important contributions to knowledge.

The test of the validity of Marx's theories today stands clearly forth to be seen by anyone whose vision is not restricted to the narrow limits of his own personal experiences. From his solipsist viewpoint, Chase cannot understand how Lenin and Stalin based themselves on Marx's theories and developed them. Since reality is the material world of which minds themselves are only the most highly developed part, reflecting it and laying the basis for action to change it, Lenin and Stalin are not dogmatists "changing this great scholar into a kind of a demigod," but scientists using theories tested constantly in practice. The successful construction of socialism in the Soviet Union is the verification of these theories. The guidance which Marxism-Leninism gives to the world struggle for socialism today, the complete bankruptcy of all other "socialist" theories, is the test of their truth. That only the theories of Marxism-Leninism can give consistent leadership to the democratic forces of the world today demonstrates Marx's importance for every anti-fascist, for every lover of peace.

Against these triumphs of Marx's understanding, Chase presumes to measure his eclectic emptiness. When Marx's theories are being proved in the practice of hundreds of millions of human beings, when one-sixth of the earth's surface is being transformed under the guidance of his teachings, when in every corner of the world his scientific leadership carried forward by the Communist Interna-

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tional gives hope to the oppressed, to every fighter against reaction; when Marxism is vanquishing in practice every hostile ideology, Chase's pigmy challenge is like the picture of a peacock preening himself against a battleship.

AN ACCOUNTANT MEASURES VALUE

The theory of value and the theory of the class struggle are foundation-stones of Marxism, a key to the understanding which has guided the working class to the victories of twenty years of Soviet power and construction. Let us see how Chase measures himself and his petty, self-centered philistinism against the greatness of scientific socialism and its founder.

"The labor theory of value was a concept which could not be adequately verified even in Marx's day, when industrial undertakings were relatively simple. . . . No scientist would waste five minutes attempting to verify this 'law.' What are the referents for 'value,' 'labor-time,' 'production'? Today the concept is even further from being verified." (*Ibid.*, p. 267.)

With the pedantic pride of an "expert," he goes on to show how impossible it would be to measure the labor in an individual commodity, and triumphantly concludes:

"But exact measurement of man-hour cost, including both capital and operating factors, is too complicated to perform. I know whereof I speak, for as an accountant I have tried to measure it more than once. So there is no operational foundation to prove the labor theory of value." (*Ibid.*, p. 268.)

Marx long ago answered this criticism. In a letter to Kugelmann, in 1868, referring to an early critic of the labor theory of value, he stated:

"The unfortunate fellow does not see that even if there were no chapter on value in my book, the analysis of the real relationships which I give would contain the proof and the demonstration of the real value relation. The nonsense about the necessity of proving the concept of value arrives from complete ignorance both of the subject dealt with and of the method of science. Every child knows that a country which ceased to work, I will not say for a year, but for a few weeks, would die. Every child knows too that the mass of products corresponding to the different needs require different and quantitatively determined masses of the total labor of society. That this necessity of distributing social labor in definite proportions cannot be done away with by the *particular form* of social production, but can only change the *form it assumes*, is self evident. No natural laws can be done away with. What can change, in changing historical circumstances, is the *form* in which these laws operate. And the form in which this proportional division of labor operates, in a state of society where the interconnection of social labor is manifested in the *private exchange* of the individual products of labor, is precisely the *exchange value* of these products." (*Correspondence of Marx and Engels*, p. 246, International Publishers.)

The proof of the correctness of the labor theory of value rests upon its ability to help understand and so change for the better the society in which we live. It is correct if it is the correct reflection of the material, social relationships in the capitalist system. It does not depend on the possibility of performing an "operation," internal to the "experience" of the operator, upon this or that sector of the system.

The bankruptcy of the "operational" method is precisely that it can make no such analysis of the system as a whole, failing, in fact, to recognize that such a thing as the system as a whole exists. It is not surprising that Chase finds the concept of "capitalism" also one for which he challenges us to "find the referents."

The labor theory of value does not

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assert that the value-determining labor is directly measurable in the individual, isolated commodity. Thus, Lenin said:

"We can only understand what value is when we consider it from the point of view of a system of social production relationships in one particular historical type of society; and, moreover, of relationships which present themselves in a mass form, the phenomenon of exchange repeating itself millions upon millions of times." (V. I. Lenin, *Marx-Engels-Marxism*, p. 16, International Publishers.)

Value is a social phenomenon. Any method which makes impossible the generalization necessary for the understanding of a phenomenon manifested only in multitudinous appearances can penetrate neither to the understanding of value, nor of any other social or natural law.

This insistence that there is no law of value, that the social relations which exist between men (expressed in the law of value) are only relations between things (expressed in Chase's accounts)—this mystic confusion Marx called the "fetishism of commodities."

Chase is an outstanding victim of this fetishism. He has the same misconceptions as the vulgar economist whom Marx discussed in the letter quoted above, who

". . . has not the faintest idea that the actual everyday exchange relations need not be directly identical with the magnitudes of value. The point of bourgeois society consists precisely in this, that *a priori* there is no conscious, social regulation of production. The reasonable and the necessary in nature asserts itself only as a blindly working average. And then the vulgar economist thinks he has made a great discovery when, as against the disclosure of the inner connection, he proudly claims that in appearance the things look different. In fact, he is boasting that he holds fast to the appearance and takes it for the last word. Why then any science at all? But the matter has also another background. When the inner connection is grasped all theoretical belief in the permanent necessity of existing conditions breaks down before their practical collapse. Here, therefore, it is in the interest of the ruling class to perpetuate this unthinking confusion. And for what other purpose are the sycophantic babblers paid, who have no other scientific trump to play, save that in political economy one should not think at all?" (*The Correspondence of Marx and Engels*, p. 247, International Publishers.)

CHASE "ANNIHILATES" THE CLASS STRUGGLE

Having "annihilated" the theory of value, Chase turns to the class struggle. One would think that here at least he could find his "referent." But no. It appears that "the term is without tangible validity"; there are class struggles but there are also other economic struggles; "the term 'class struggle,' by giving an incorrect picture of the world as it is, hinders the strategy of those who want to improve economic conditions." (*Tyranny of Words*, p. 273.)

Because the struggle between working class and capitalist class takes a thousand different forms, the class struggle does not exist for Chase. Marx and his followers have taken a hypothesis based on conditions of 1850 and erected it into an absolute. He cannot see that through the thousand forms of social conflict, the class struggle is in class society the basic struggle, showing itself in the thousand different forms. Lenin answers him:

"That in any given society the strivings of some of the members conflict with the strivings of others; that social life is full of contradictions; that history discloses to us a struggle among the nations and societies, and also within each nation and each society,

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manifesting in addition an alternation between periods of revolution and reaction, peace and war, stagnation and rapid progress or decline—these facts are generally known, Marxism provides a clue that enables us to discover the reign of law in this seeming labyrinth and chaos; the theory of the class struggle. Nothing but the study of the totality of the strivings of all members of a given society or group of societies, can lead to the scientific definition of the result of these strivings. Now, the conflict of strivings arises from differences in the situation and modes of life of the classes into which society is divided." (V. I. Lenin, *Marx-Engels-Marxism,* pp. 13-14, International Publishers.)

When the existence of the two worlds of capitalism and socialism gives objective reality in clearest form to the fundamental antagonism of working class and capitalist class; when the struggle between fascism and democracy reflects the class struggle on every side; when the utter decay of all class-*less* explanations of society becomes obvious in the intellectual nihilism of fascism; when the American working class, as never before, is organizing in progressive industrial unions and advancing toward independent political action; Chase sticks his ostrich head into the sands of his pragmatic "experience" and asks: "Where in this turmoil (America today) is a valid distinction between 'working class' and 'master class'?"

Chase may want to be progressive, yet even when he considers the immediate burning questions of today his idealism leads him straight to lending objective aid to fascism and reaction. He hates persecution, dictators, war-like aggression; but he cannot make the scientific analysis which would lay bare the cause of these evils.

He asks a hundred people what fascism is. Because most of them reply by mentioning one or another aspect of it, he concludes there is no reality corresponding to the term. But the answer is at hand. We scientifically define fascism as "the open terrorist dictatorship of the most reactionary, most chauvinistic, and most imperialistic elements of finance capital." The statements which Chase quotes vary, but 90 per cent recognize the viciousness of fascism, and, what Chase fails to see, the need to fight it. Since fascism is for him merely a word, then, of course, it is not a menace to be fought.

"The student of semantics [the science of meaning or sense-development of words] is not afraid of evil spirits and takes no steps to fight them. If he observes, or is reliably informed, of secret societies devoted to seizing by force the government of the United States, he may be prepared to fight . . . if he observes a group persecuting people called Jews or members of the Negro race, he may be prepared to fight. If the armies of Mussolini or Hitler invade his country, he is prepared to fight. But he refuses to shiver and shake at a word, and at dire warnings of what the word can do to him at some unnamed future date." (*Tyranny of Words,* p. 193.)

In short, until the force hits you, do nothing about it. Do not find out whence come all these dangers and "dire warnings." There is no material world from which they arise. They are merely separate "experiences." And being unable to understand fascism, Chase is equally unable to understand communism or democracy. Fascism and communism are merely "different names for one-man governments."

His semantic method keeps him from understanding that the proletarian state, the Soviet Union with the Stalinist Constitution, signalizes the highest form of democracy in the world, the participation of the widest masses in government and administra-

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tion, the development of every potentiality of humanity, the championship of world peace; while the dictatorship of fascism means denial of democracy, the brutal dictatorship of the most reactionary monopolists, the strangling of every potentiality of humanity, the death of culture, the armed invasions of weaker lands and the drive towards a new world war. At a time when the Soviet Union has internally succeeded in the main in building a socialist society, but is still faced externally with the danger of intervention, when, in Stalin's words, "the serious assistance of the international proletariat is a force without which the problem of the final victory of socialism in one country cannot be solved," when the Soviet Union stands forth as the strongest bulwark of world peace, Chase permits himself to write:

"Sympathizers with the Russian form of dictatorship are afraid of attack by the so-called fascist dictatorships. Naturally they desire all the help they can get. So they make statements about democratic governments supporting one another. Such statements are loud noises to me." (*Tyranny of Words*, p. 339.)

Compare this statement with what Upton Sinclair, who is far from being a Communist, states:

"I watched Gorky all through this period, and I know how he suffered and how more than once he wavered. But in the end he made up his mind that the Soviet regime was the best hope for the workers of Russia, and that is my conclusion today. I do not think it is going to change so long as Mussolini, Hitler, Franco, and Araki continue to menace the world with a return to the middle ages, and so long as the Soviet Union continues to hold out to America, Britain, and France the invitation to join her in standing against this menace." (*Upton Sinclair on the Soviet Union*, p. 14. Weekly Masses Co., Inc., New York.)

This is the position of a progressive who, whatever his doubts or reservations, understands that fascism is reaction and war, and that socialism is peace and progress. But to Chase, they are both "different names for one-man governments."

Of course, if there is no fascism, there is no need to fight it, there is no need for the People's Front, there is no need for collective security, there is no need for anything but sitting back and waiting till a storm-trooper walks up your porch and kicks the cat Hobie Baker (the object of Chase's observations) in the tail. Then you are semantically permitted to tackle this "referent" single-handed.

The pragmatic-positivist denial of a criterion of objective truth is denial of the possibility of understanding what is happening around us. Every form of idealism is a weapon against progress, a weapon of reaction and barbarism. Even those who are fighting with us in the struggle against fascism often bring with them ideologies inimical to this struggle. We say to them:

"We grant you non-socialists the right to believe that the ultimate outcome will not be socialism, but in the meantime only our unity and common front will prevent fascism from being the *immediate* outcome; therefore it is better if we continue our debate on this question behind the common lines of defense we set up against fascism which would stop all our discussions." (Earl Browder, *The People's Front*, p. 147, International Publishers.)

We will work with all progressives on every issue for peace and democracy, but we must remember that our Party is based upon the firm rock of Marxism-Leninism. Study, under-

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standing, vigilance against hostile ideas, are vital safeguards of the movement. So equipped, we cannot lose the battle.

"Revolutionary theory is the generalization of the experiences of the labor movement in all countries. It naturally loses its very essence if it is not connected with revolutionary practice, just as practice gropes in the dark if its path is not illumined by revolutionary theory. But theory can become the greatest force in the labor movement if it is indissolubly bound up with revolutionary practice, for it alone can give to the movement confidence, guidance, strength, and understanding of the inner relations between events; it alone can help practice to clarify the process and direction of class movements in the present and near future." (Joseph Stalin, *Foundations of Leninism*, p. 26, Marxist Library, International Publishers.)

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